



ABSTRACT

Tamil Nadu Innovation Initiatives (TANII) for 2016-17 – Schemes approved by State Planning Commission – Implementation of International Co-operation and Investment Promotion - Sanction - Orders Issued.

MICRO, SMALL AND MEDIUM ENTERPRISES [C] DEPARTMENT

G.O.(Ms) No. 17

Dated: 17.03.2017

துன்முகி வருடம், பங்குனி 4
திருவள்ளூர் ஆண்டு 2048

Read :

1. From the Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation Limited Lr. No. 9358/S-1/15, dated 14.06.16.
2. From the Member Secretary, State Planning Commission letter No. 1960/SPC/2016-2, dated 20.12.2016.
3. Details for demand for grants for further expenditure and detailed supplementary estimates for the year 2016-17.
4. U.O Note No.7728/B/2015-17, dated 23.02.2017.

ORDER:

The Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation Limited in his letter first read above has forwarded a proposal for the implementation of International co-operation and Investment Promotion, wherein he has reported as follows:-

- a. Hon'ble Chief Minister of Tamil Nadu had released Tamil Nadu VISION 2023, an all-encompassing road map of Tamil Nadu's development and prosperity with a special focus on MSME sector to become globally competitive. In pursuance of VISION Tamil Nadu 2023 announced by the Hon'ble Chief Minister and in tune with new challenges of competitive market and contemporary demands, Tamil Nadu Small Industries Development Corporation Limited (SIDCO) has framed the 'SIDCO Charter 2023' to promote investments in Tamil Nadu in the MSME sector and export promotion, with a vision to place the MSME sector on the global footprint by facilitating trade, economic cooperation, market access, influx of foreign capital and technology transfer from leading SME economies Viz., Japan, Taiwan, South Korea, Germany, Thailand.
- b. With over 11 lakh MSMEs, 67K Cr investment and employing more than 60 lakh persons, Tamil Nadu emerged Hub of MSMEs in India and the most preferred destination for starting a business in terms of incentives, investment policies and infrastructure. The proactive policy initiatives and supporting eco-system enabled the State to attain progress in focused sectors like Textiles, Food and Agri business, Automobile and Auto ancillaries, Chemicals and Petrochemicals, IT & ITES etc. Tamil Nadu has secured 2nd position in the list of "best performing States in India in

the last decade (2003 – 2012)” and ranked as the No.1 State in 8 out of 9 development parameters like economy, power, roads and health etc. The inflow of FDI and growth major industries enabled these sectors to emerge Tamil Nadu as India’s economic powerhouse.

- c. Along the major and multinational projects, the State has not tapped the investment prospects by global business community in the MSME sector. In the roundtable meet with foreign diplomats, road-shows held in countries like Taiwan, Canada etc and in the recently concluded TN GIM 2015, the State witnessed greater participation and readiness of global business community to promote trade and investment in the MSME sector. Similarly, Trade delegation from countries like Taiwan expressed keenness to invest in manufacturing and trading operations in the SME sector.
- d. The large industrial projects require dedicated and supporting MSMEs comprised of domestic and as well as global SMEs of investing countries. Functional and multi-sector industrial/ investment centres could be developed to encourage inflow of capital and technologies from the growing global economies to enable the local MSMEs attain global competitiveness along with global partners. The land parcels with SIDCO and growing land bank can be skewed to promote new projects in the MSME sector by the global SMEs on ownership, joint venture and cluster basis besides promoting private industrial projects. Commitments to build large infrastructure projects announced by the Hon’ble Chief Minister of Tamil Nadu through significant public expenditure also require special attention to the development of dedicated local and global SMEs in Tamil Nadu.
- e. The MSMEs in Tamil Nadu need to be supported by influx of capital and new technology in the demand driven areas for global competitiveness. Despite, enjoying competitive advantage in attracting foreign investments in the MSME sector especially due to low capital cost in purchasing land, wage rates, availability of skilled man power and developed eco-system, the absence of a facilitating body exclusively for promoting international co-operation and export promotion has been acknowledged by the global business community in the meetings held with diplomatic corps and trade and investment delegations that visited TamilNadu.
- f. Such an exclusive body will be engaged in facilitating trade, investment and technology transfer between partner countries for MSMEs in Tamil Nadu to become globally competitive. To this end, the Board of SIDCO in its meeting held on 16-10-2015 resolved to set up an ‘International Cooperation and Investment Promotion Cell for MSMEs’ by SIDCO to carry out the activities of facilitating promotion of MSMEs in the State, first of its nature, in Tamil Nadu, to significantly contribute in promoting industries, balanced regional development, employment, export and economy of the State.

PURPOSE:

Broadly, the following are the basic purpose of Cell:

- Facilitate trade & economic cooperation and promote investment & technology transfer from focus / partner countries for inclusive growth of MSMEs in Tamil Nadu in tandem with Government’s growth plans of MSMEs in Tamil Nadu;
- Disseminate information on holding meetings, seminars, trade exhibitions, fairs and similar events promoting possibilities of investment, joint-ventures and trade and investment opportunities for G2G and G2B Collaboration;
- Sponsor and promote visits of trade and industry missions between countries to setup new enterprises on ownership, associate and joint-venture modes;
- Provide assistance to SMEs of partner countries in all matters concerning trade and investment promotion, from conceptualization to commissioning;

- Act as a Nodal agency to channelize funding schemes of GoT, GOI and participating countries.
- Function as a 'Single Window' in sharing of information, policies and incentives of the State and in granting of required clearance & approvals and
- Take all such steps as may be necessary and feasible to promote trade and economic cooperation and investment promotion with focus countries.

g) With the broad objectives, the International co-operation and Investment promotion Cell shall endeavour in providing the following activities:

- Identify and promote global investment in industrial, service, infrastructure and skill development projects in the MSME sector in Tamil Nadu.
- Function as a Secretariat to provide information, guidance and approvals as a 'Single Window' to the investors in coordination with various departments of GoTN and Gol along with other agencies.
- Post skilled, trained and expert Counsellors with country specific linguistic articulacy.
- Develop exclusive website for information dissemination on sector specific offerings to the investors on technology transfer, market openings, investment opportunities, skill development etc.
- Plan periodic campaigns, road-shows, domestic and international investor meets, at government and industry level.
- Enter into MoU with major international trade promotion bodies of focus countries.
- Conduct exhibitions, arrange buyer-seller meets, conventions and seminars between focus countries and provide an export promotion readiness assessment kits.
- Assist state government in formulating investment promotion policies.
- Facilitate access to getting land allotment and creating infra related services.
- Such other functions as may be found necessary to promote and sustain the cooperation and investment promotion.

h) It has now been proposed to take up the following schemes under Innovative of Tamil Nadu Government:

I) Formation of Secretariat for Single Window for guidance manned by a hired consultant (in the first year):

- ✓ Charges for Consultant and supporting staff Rs 100 lakh per annum
- ✓ Cost of office infrastructure, such as office equipment, furniture etc- Rs 25 lakhs

II) Execute periodic campaigns, road-shows to generate domestic, national and global investment in the MSME sector, at government and industry level:

- Across Tamil Nadu- Four events per annum at Rs 60.00 lakhs per year;
- In other identified States-Four events per annum at Rs 40.00 lakhs per year
- In focus global investor countries- Two events per annum at Rs 20 lakhs per year

III) Organise MSME Meet hosting national-level seminars, exhibitions, ad buyer-seller meets:

- ❖ National Seminar on MSMEs - One event per year at Rs 125 lakhs
- ❖ Exhibition Cum Buyer-Seller Meet- One event per year at Rs 250 lakhs

2. Thus, totally an amount of Rs 620 Lakh is requested for sanction as mentioned in Para 1 (h) above in the first year for the schemes I, II and III and to carry out the activities

in the subsequent period, the funds requirement will be Rs 495 lakhs per year to carry out the schemes/activities contemplated in I and II of Para 1 (h) above.

3. Therefore it has been decided to implement a Scheme of International Co-operation and Investment Promotion at a total cost of Rs. 100.00 lakhs under the TANII fund for the year 2016-17.

4. The Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation Limited has requested to sanction a sum of Rs. 100.00 lakhs under TANII fund to met to the expenditure for the implementation of International Co-operation and Investment Promotion.

5. The Member Secretary, State Planning Commission in letter second read above has reported that, Tamil Nadu Small Industries Development Corporation Limited proposed to set up an International Co-operation and Investment Promotion Cell for Micro, Small and Medium Enterprises to carry out the activities of facilitating the promotion of MSMEs in the state to significantly contribute in promoting industries, balanced regional development, employment export and economy of the state. The State Planning Commission on scrutiny of the proposal has suggested that the entire event cost can be accommodated from the GIM component and also suggested SIDCO to approach the TNIDB for funding under phase – II. The State Planning Commission, considering the broad basic purpose of the proposed cell agreed to fund Rs.100.00 lakhs as the initial seed money to kick start the project. Out of the seed money, Rs.50.00 lakhs will be contributed through TANII and Rs.50.00 lakhs to be SIDCO's share. Tamil Nadu Small Industries Development Corporation Limited should refund Rs.50.00 lakhs back to TANII as and when TNIDB sanction the project.

6. Based on the above approval, the Government accord sanction for a sum of Rs. 1,00,00,000/- (Rupees One Crore only) for the implementation of International Co-operation and Investment Promotion under the TANII fund for the year 2016-17 subject to the norms as detailed at Para 5 above.

7. The Expenditure sanctioned in Para 6 above shall be debited to the following Head of Account :-

“2851-00 Village and Small Industries -110 Composite – Village and Small Industries and Co-operatives – Scheme in the Twelfth Five Year plan - II State Plan – JY – International Co-operation and Investment Promotion Scheme under State Innovation fund -10. Contributions 09 others. (DPC-2851-00-110-JY-1097)”.

8. The above expenditure shall be adjusted by deducting under the following head of account.

2851-00.Village and Small Industries 902. Deduct – Amount met from State Innovation Fund - JF – Deduct – Amount met from State Innovation Fund – 30. Inter Account Transfers. (D.P.C. 2851-00-902-JF 3003)

by contra debiting from

J. reserve Fund - (b) Reserve Funds not bearing Interest - 8229-00 – Development and Welfare Funds – 200 – Other Development and Welfare Funds - BE. State Innovation Fund.

9. The Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce, is authorised to draw and disburse the amount sanctioned in Para 6 above to the Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation Limited by means of cheque.

10. The Chairman and Managing Director, Tamil Nadu Small Industries Development Corporation Limited is directed to incur the expenditure only for the purpose for which it is sanctioned and send the utilisation certificate through the Additional Chief Secretary / Industries Commissioner and Director of Industries and Commerce, after incurring the expenditure.

11. This order issues with the concurrence of Finance Department vide its U.O Note No. 10930/Ind/2017, dated 07.03.2017.

(BY ORDER OF THE GOVERNOR)

**MANGAT RAM SHARMA
PRINCIPAL SECRETARY TO GOVERNMENT**

To

The Additional Chief Secretary / Industries
Commissioner and Director of Industries and Commerce,
SIDCO Corporate Office Building,
Chennai-32

The Managing Director,
Tamil Nadu Small Industries Development Corporation Limited,
Guindy, Chennai-32


The Accountant General,
Chennai-18/35

The Pay and Accounts Officer,
Chennai-8.

Copy to

The Finance (Ind/BGII), Chennai – 9.
The Planning Development and Special Initiatives (SP1) Department,
Chennai - 9.
Micro, Small and Medium Enterprises(OP/B), Chennai – 9.
The Personal Assistant to Principal Secretary to Government,
Micro, Small and Medium Enterprises Department,
Chennai -9
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//FORWARDED BY ORDER//


SECTION OFFICER