Chennai

Detroit of India
Chennai is the largest industrial and commercial center of South India. From Madras to Chennai, this city has historically embraced diversified industries. The city is a hub for the manufacturing of automobiles and auto components, engineering, textiles and garments, leather products, software and IT-enabled services.

**STATE SNAPSHOT**

- **GSDP Growth (FY18):** 7.7%
- **HDI Rank (2018):** 4th Rank
- **Logistic Performance Index (2019):** 5th Rank
- **No. of Factories in State (FY 18):** 37,787; 1st Rank
- **State’s contribution to India’s Exports (FY19):** 3rd Rank, 11.5%
- **2nd highest contributor to India’s renewable energy capacity**
- **21% of the total auto exports** from India
- **5th largest producer of pharmaceutical production** in India
- **2nd Highest exporter of engineering products** in FY18
- **4th largest software exporter** from India
- **1st apparel production and 2nd in textile production** in India (Coimbatore & Tiruppur are key clusters)
- **15% India’s electronic hardware production**
- **1st largest tyre manufacturer** in India
- **5th largest producer of engineering products** in India
- **14th Rank; INR 143 Bn IEMs Implemented (Jan’14 – Dec’19)**
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WHY CHENNAI?

Chennai contributes

- **30% of India’s 4-wheeler automobile industry**
- **33% of India’s auto parts production**
- **16% of India’s electronics hardware production**
  (computers, electronics & optical products manufacturing)

- Annual installed capacity of 1.46 Mn automobile units
- Offshore Engineering hub: Research Institutes such as IIT, National Institute of Ocean Technology, C-WET, Indian Maritime University, etc.
- Engineering centres of Vestas, Siemens Gamesa, Suzlon, Ingersoll Rand, Petrotec, Mott McDonald, TechnipFMC, McDermott, etc.

**Chennai – Gateway to the World**

- Port Infrastructure: Only city to have 3 modern container ports (Chennai, Ennore, Kattupalli)
- Combined handling capacity of 5.7 Mn TEUs (largest for any city in India)
- Chennai Port: 2nd largest container port in India after JNPT, Mumbai
- Closest point in India to major manufacturing ecosystems such as China, Korea, Taiwan, Japan & ASEAN

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**SECTOR SNAPSHOT**

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<tr>
<th>Auto &amp; Ancillaries</th>
<th>ESDM</th>
<th>Heavy Engineering</th>
<th>IT &amp; ITES</th>
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<td><strong>ESDM</strong></td>
<td><strong>Heavy Engineering</strong></td>
<td><strong>IT &amp; ITES</strong></td>
</tr>
<tr>
<td>47% of India’s total automobile exports (FY18)</td>
<td>27% electronics hardware technology firms at Sipcot</td>
<td>Ashok Leyland, Dossan, Aizoom, BosenFidor, Vestas, Caterpillar, Komatsu, Siemens Gamesa, Toshiba</td>
<td>Data Centre Hub City with largest bandwidth in India through 5 submarine optical cables (90% of India’s total IT exports (FY18))</td>
</tr>
<tr>
<td>Dedicated Auto R&amp;D Hub: Mahindra Research Valley, NATIF &amp; CRVEE facilities</td>
<td></td>
<td></td>
<td>TIDEL Parks, IT Corridor on Old Mahabubapuram</td>
</tr>
<tr>
<td>BMW, Hyundai, Ford, Peugeot, Mitsubishi, TVS Motor, Ashok Leyland, Royal Enfield, CEAT, Daimler, TVS, Mitsuushi, Michelin, Yamaha, Mahindra &amp; Mahindra, Apollo Tyres, MRF, Renault-Nissan</td>
<td></td>
<td>Fossen, Fike, Samsung, Nokia, Saicom, Komma</td>
<td></td>
</tr>
<tr>
<td><strong>Heavy Engineering</strong></td>
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**Prominent industrial areas for greenfield and secondary transactions**

<table>
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<tr>
<th>Industrial Park</th>
<th>Total Area (Acres)</th>
<th>Major Occupiers</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mahindra World City</td>
<td>1,525</td>
<td>BHR, BMW, Nexx Electroics,TKK Group, Tvs Group, Lincon Pacific, Yamaha, TNN, Renault-Nissan</td>
<td>First operational greenfield SEZ in India comprising IT, Auto &amp; Apparel Sector</td>
</tr>
<tr>
<td>Ascendas One Hub</td>
<td>1,250</td>
<td>Aym,pomoto, Takawgo, Marutha Aym,mito, Hachi Automotive</td>
<td>Integrated industrial township for auto &amp; general machinery, one of 12 Japanese Industrial Townships in India</td>
</tr>
<tr>
<td>SIPCOT Oragadam Industrial Growth Centre</td>
<td>2,727</td>
<td>Royal Enfield, Mahindra Sens, Apte Tyres, Nokoa, Komatsu, Bosch, Renault-Nissan, Proco IPC, Daimler, Bridgestone, QK Denmark, Veale, Seyaro E-MMA Automotive, Salons</td>
<td>Major concentration of automotive &amp; auto are in the units in Chennai. Several private parks with ready built infrastructure have sprung near this zone</td>
</tr>
<tr>
<td>SIPCOT Villam - Vadapal</td>
<td>1,523</td>
<td>Wkr Versa, Yamaha, Sekukku DLJ Modelling, Kiyama Precision, Rayyan ELK, Stables Lighting</td>
<td>Automotive &amp; auto and Haly &amp; Bate</td>
</tr>
<tr>
<td>SIPCOT Aerospace Park, Villam</td>
<td>345</td>
<td>Upcoming</td>
<td>Integrated Manufacturing SEZ with exclusive zones for Aerospace components &amp; defence production and aircraft MRO</td>
</tr>
<tr>
<td>FLWapakkam &amp; BM Industrial Park</td>
<td>1,047</td>
<td>CII/PSU, IDL/CL, WET/Export, Royal Tyres, Chimal Industries, Polk-Media, Xactly, JRI, AT Tyres</td>
<td>Automotive &amp; auto and Haly &amp; Bate</td>
</tr>
<tr>
<td>SIPCOT Kumbakonam</td>
<td>1,611</td>
<td>Hyundai, Tachinnexco, SRI Auto Glass, Schwing Setzer, Hvey &amp; Automotive Polytems</td>
<td>Automotive &amp; auto are in the cluster, Hyundai is the major occupier along with ~ 16 component suppliers</td>
</tr>
<tr>
<td>SIPCOT Hitech SEZ</td>
<td>572</td>
<td>Dell, Hnosu, Samsung, Wokcos</td>
<td>Focus greenfield area for Electronics Manufacturing</td>
</tr>
<tr>
<td>Violet Export Processing Zone</td>
<td>485</td>
<td>Venture Power Systems, Indica, Tamil Fahnkura, Sealing &amp; Others</td>
<td>One of the seven processing zones in India set up by Government</td>
</tr>
<tr>
<td>Singaporean Industrial Complex &amp; DTP</td>
<td>1,418</td>
<td>Western Thumb, Green Signal Bio Pharma, Marchu Toughened Glass, Metal Engineers</td>
<td>Heavy Engineering, Power, Chemicals</td>
</tr>
<tr>
<td>Mahindra Origins, Puduvoyal</td>
<td>330</td>
<td>Noor, Yerma</td>
<td>Private Industrial Park for Engineering, Tool processing, automotive, logistics and aerospace developed with Sumitomo Corporation. Designated Japanese Industrial Township</td>
</tr>
<tr>
<td>Thiruvallur Industrial Park</td>
<td>1,327</td>
<td>Kikko, Koop-Artiz</td>
<td>Automotive &amp; Power, Heavy Engineering</td>
</tr>
</tbody>
</table>

The major industrial corridors can be identified along as Triplicane-Cheppur, Poonam-Perurapalayam, Ongadam-Ennai Malai Nagar & Choolaimedu-Machaiyiram. The land rates in these corridors range between INR 2,960 to INR 27,200 per sqm. The rates mentioned are indicative and may vary on other parameters as well.

Other private Industrial Park include Indospace, Embassy & Hiranandani at multiple locations viz: Ongadam, Sipcorhub, PortKrailam, Paduthottal, etc. which have large areas under development and existing occupants.

**Emerging Sectors**

- **Medical Technology:** INDMED Valley being developed as a medical technology manufacturing cluster, in 330 acres of land in Chengalpattu
- **Life Sciences & Biotechnology:** NICCI Centre for Life Sciences (TICEL) Biotechnology Park at TIDIC and Biotechnology Incubation Park in Tamil Nadu
- **Aerospace & Defence:** One of the national integrated defence corridors (Chennai, Hosur, Salem, Coimbatore, Thrissur). Other six in Uttar Pradesh

**WHY CHENNAI?**

- Port Infrastructure: Only city to have 3 modern container ports (Chennai, Ennore, Kattupalli)
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- Closest point in India to major manufacturing ecosystems such as China, Korea, Taiwan, Japan & ASEAN
We started our operations in Chennai in 2007 and invested INR 12.5 Bn in the operations of the plant in the past 12 years. Tamil Nadu has very good accessibility, logistics and infrastructure. It has the right mindset in the political environment with right policies, which are business friendly. And, the most important factor for any enterprise of our size is people, and we do find very skilled and qualified people here. So, the decision was clear for us to start our operations here.

- Dr. Jochen Stahlkamp
Managing Director, BMW

Tamil Nadu is uniquely positioned because the state is amongst the highest manufacturing contribution to GDP of India at 21%. Further, the skill level in engineering and related industries is quite sublime in the state. Skill India Program is very close to our heart and we are investing heavily in skilling India.

- Mr. Josh Foulger
Country Head and MD. Foxconn International Holding
**STATE SNAPSHOT**

**Andhra Pradesh contributes:**

- **GSDP Growth Rate (FY18):** 11.3%
- **Logistic Performance Index (2019):** 5th Rank
- **No. of Factories in State (FY18):** 16,296; 4th Rank
- **HDI Rank (2018):** 10th Rank
- **Pharmaceutical units:** 4th Rank; INR 675 Bn
- **IEMs Implemented (Jan’14 – Dec’19):** 20% electronic manufacturers in India
- **State’s contribution to India’s Exports:** 6th Rank, 2.8% (FY19)

**Note:** Excludes Union Territories

**Andhra Pradesh Industrial Infrastructure Corporation (APIIC)**

**Department of Industries, Government of Andhra Pradesh**

**Andhra Pradesh Economic Development Board (APEDB)**

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**Why Tri-city Hub?**

**Tirupati-Chennai-Nellore**

- **Tri-City Hub (Tirupati-Chennai-Nellore):**
  - Tirupati-Chennai-Nellore is known as the tri-city industrial growth corridor.
  - This region falls under the influence zone of two industrial corridors – Chennai-Bengaluru Industrial Corridor (CBIC) & Vishakhapatnam-Chennai Industrial Corridor (VCIC).
  - Tirupati is now emerging as an Electronics Cluster by developing Electronics Manufacturing Clusters right next to the newly developed airport terminal.

**Sri City**

- **Largest industrial park in South India, and is home to ~200 companies from 27 countries**
- **Attracted total investments of ~USD 4 billion**
- **Located on Andhra Pradesh - Tamil Nadu border. Thrives on Chennai’s industrial ecosystem and port capacity**

**Naidupeta Cluster**

- **Proposed Naidupeta Cluster comprises of Naidupeta MPSEZ, IP-Naidupeta and IP-Attivaram**
- **It comes under the VCIC within the Yerpedu-Srikalahasti Node**
- **Naidupeta Cluster is where the state wants to attract Pharma Companies**
**SECTOR SNAPSHOT**

Emerging Industrial Cluster of Andhra Pradesh

Favourable business environment, fantastic facilities, infrastructure, access to great talented people, strong workforce, and most importantly the Government support of Andhra Pradesh, really led us to Sri City. That is the reason why we are trying to build something special here in Sri City.

- Daniel Myers
  Executive Vice President, Integrated Supply Chain, Mondelēz International

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<td>7,500</td>
<td>Kellogg's, Isuzu, Mondelez, Pepsi, Aalstom, Kobelco, Foxconn, Danieli</td>
<td>It includes a multi-product SEZ, a DTZ, an FTWZ, a Logistics &amp; Warehousing Cluster &amp; an Electronics Manufacturing Cluster.</td>
</tr>
<tr>
<td>APIIC Industrial Park, Mambattu</td>
<td>380</td>
<td>Bharat Forge, Indus Coffee, Apache Footwear</td>
<td>Multi-product Industrial Park. Apache Footwear exports Adidas brand and employs 10,000+ people.</td>
</tr>
<tr>
<td>Sri Venkateswara Mobile &amp; Electronics Hub (EMC-I), Tirupati</td>
<td>120</td>
<td>Celkon, Karbonn</td>
<td>India’s first Electronics Manufacturing Cluster: Dedicated mobile handset &amp; electronics manufacturing facility.</td>
</tr>
<tr>
<td>Electronic Manufacturing Cluster II, Tirupati</td>
<td>501</td>
<td>Dixon Technologies, Munoth Industries</td>
<td>Located near EMC-I &amp; adjacent to Tirupati International Airport.</td>
</tr>
<tr>
<td>TCL Industrial Park, Tirupati</td>
<td>153</td>
<td>TCL and its components suppliers</td>
<td>World’s third largest TV panel manufacturing Chinese firm TCL’s first industrial plant in India.</td>
</tr>
<tr>
<td>Naidupeta Industrial Park</td>
<td>1,244</td>
<td>Hindustan National Glass &amp; Industries, SKI Carbon Black, Loyala Textiles, BASF India, Chemsynth Laboratories</td>
<td>Focus sectors: Textiles &amp; Apparel, Pharmaceuticals, Chemicals.</td>
</tr>
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The major industrial clusters can be identified as Sri City, Tirupati and Naidupeta, and their adjoining areas. The land rates in these corridors range between INR 1,750 to INR 2,550 per sqm. The rates mentioned are indicative and may vary on other parameters as well.