

Development Appliance – Special Economic Zone A study of Chittoor District

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ABSTRACT

The newly formed Andhra Pradesh since June 4, 2020 is making genuine efforts to make it a highly developed region with the generous and full support by government. An attempt is made in the article to reveal the capacity of Special Economic Zone (SEZ) – Sri City situated in Varadaiah Palem Mandalam of Satyavedu taluk of Chittoor district, very near border of Chennai city of Tamil Nadu. It is the model for other SEZs in the State and also in the Country. Foundation stone was laid to this SEZ in 2006, and started working since 5, August 2008. Attracting Large Scale Industries from India and Foreign countries, Sri City is expanding in development speed as the model of its own, having spread in wide area of 7500 acres. Completing 12 years as on date Sri City has become a source employment to youth, in the large number of 187 existing and 138 industries that are in construction stage.

I. INTRODUCTION

Rayalaseema region is slowly emerging development region in Andhra Pradesh, despite endowed with sufficient physical and natural resources and availability of human resources, but not fully utilized for the development of the region. The newly formed Andhra Pradesh since June 4, 2020 is making genuine efforts to make it a highly developed region with the generous and full support by government. An attempt is made in the article to reveal the capacity of Special Economic Zone (SEZ) – Sri City situated in Varadaiah Palem Mandalam of Satyavedu taluk of Chittoor district, very near border of Chennai city of Tamil Nadu. It is the model for other SEZs in the State and

also in the Country. Foundation stone was laid to this SEZ in 2006, and started working since 5, August 2008. Attracting Large Scale Industries from India and Foreign countries, Sri City is expanding in development speed as the model of its own, having spread in wide area of 7500 acres. Completing 12 years as on date Sri City has become a source employment to youth, in the large number of 187 existing and 138 industries that are in construction stage.

In the beginning period the people opposed the establishment of the SEZ in this area, and now the same people are praising the SEZ, witnessing the high industrial growth on the lands they gave to SEZ. The pattern of industrial growth in Sri City is presented below.¹

Progress of industrial units:

Nearly 187 industries belonging to 28 countries with investment of Rs.45000 crores, have been established as production centres for producing modern goods, about 130 industries reached production stage, the rest are in construction level.

Employment

Nearly 50 thousand persons are employed directly and indirectly. More persons would be employed in the coming 5 years as nearly 300 industries are estimated to join the SEZ.

Speedy Industrial Growth

Large industrial investments have flown to Sri City only due to success achieved in short period in this direction. The City gained popularity as a suitable City for establishment of new industries. Different type of modern industries selected this place like; electronics, Telecommunications, Defence, Solar Energy, Aerospace, different subsidiary parts production, Equipment to Mine Minerals, Hardware etc. – all modern technology oriented industries having great demand in the Country and Foreign countries. Internationally reputed industries such as Cadbury, Mondelize, Isugi Car industry, Pepsico, producing railway carriages Alstom, Cranes, proclains producing Cobelco, Colgate – pomoline, Kellogs, Foxcon (rising star), Unicham, Daniyel, Nittam, Lovoja, Payolax, Rock Worth, Everson Tea, Thermox are producing their products in the Sri City. Besides these industries, many domestic and foreign industries are in construction stage.

Blessings to Unemployed

Relating to 130 industries that have reached production stage and some industries that are in construction stage, nearly 50 thousand persons will be provided direct and indirect employment. Sri City industries are encouraging local persons to secure employment and out of those employed about 45.5% belong to Chittoor district and among them 35% hail from villages near to Sri City. About 28% of employed persons

belong to Nellore district, 15.5% are from other districts in the State, about 11% are from other states.

Empowerment of Women

In the Sri City large number of women are employed in the industries here, accounting for 50% of the total employment, a good example of supporting women to secure employment and the same be followed in the entire Andhra Pradesh. For example, in one Fax Can industry alone, nearly 15 thousands of women are employed and it is first in the Country.

Skill Development requirements

The Finance Minister, B. Rajendranath Reddy asked 187 industries in the Sri City to indicate their skill development requirements so as to make the government of Andhra Pradesh to start Institutions to train youth to secure employment for skilled people or train people employed in industries. He interacted with industry representatives at Sri City to gather inputs for the proposed Skill University to be started in Andhra Pradesh. The University and Colleges will train man power required for the industries. He also emphasized the need to incorporate skill development in the curriculum both in high schools and post graduate institutes to prepare youth as a valuable manpower by churning out welders, fitters and electricians in ITIs and trained Engineers in Colleges and Universities. There is high demand for these courses as they offer employment to trained persons. All the Captains of the industries that attended the meeting interacted with Finance Minister, MD Sri City, Principal Secretary Finance, AP Skill Development Corporation CEO, and Collector of Chittoor district. It means the government of Andhra Pradesh is interested in providing apprentice opportunity to train in skills needed for industry as being done in Medical profession.²

Starting Software Courses to youth:

To enhance employment skills of students, Andhra Pradesh State Skill Development Corporation (APSSDC) in collaboration with IDS, propose to conduct online courses in “Cloud Architecture” and “Block Chain Technology” modern courses having the highest demand (as per research done by LinkedIn) in the market.³

New Industrial Policy of Andhra Pradesh Government:

Industrial Development Policy 2020-30 was announced by Minister for Industries and Commerce Sri M. Goutham Reddy and Chair person R.K. Roja, A.P. Industrial Infrastructure Corporation (APIIC) on Monday 10, August 2020. The key aspects of this policy are: sustainable development, full support to MSME and Women entrepreneurs and accountability in land allotment. It emphasized replacement of existing “lease and buy” portion in the APIIC land policy with “lease plus buy” model with low

down payment and choice to purchase land after 10 years of successful operations. It also proposes establishment of multi-faceted Business Enablement Centre “YSRAP One” which will act as one stop (single) Resource and Support Centre for industries.

MSMEs receive a strong support:

The policy will extend all possible support to Micro, Small and Medium Enterprises which has suffered heavily due to economic fall on account of severe COVID Pandemic. The new policy intends to be very liberal in pre and post clearances and facilitate quicker and free operations.

Incentives

Sufficient incentives extended are: To MSMEs, SGST would be reimbursed for five years and to medium, large and mega industries for five years contingent upon employment creation.

To SC and ST entrepreneurs 16.2% and 6% of APIIC plots would be reserved respectively.

The APIIC will develop multi-sector or sector specific industrial parks in the notified industrial zones based on raw materials and skills availability, market assessment and external infrastructure and connectivity. Special purpose vehicles would be floated for meeting the water requirement of industries.⁴

Industrial Institutions Support New Industrial Policy

The Confederation of Indian Industry, Andhra Pradesh Chairman, D. Ramakrishna stated that new industrial policy of A.P. will spur growth as it focus more on MSMEs, end- to-endbusiness facilitation and balanced regional development. It would give the much required push to industrial sector whose potential remained largely untapped. It has rightly emphasized on skill development and entrepreneurship. The proposed 30 skill development centres in the State will supply skilled manpower qualified for the jobs. The policy was in line with the CII recommendation that greater impetus be given to sectoral strengths and natural advantages of the State. He also confidentially stated that State will fully attract investments in aerospace and defence, pharmaceuticals, textiles, automobile, electronics and Petrochemical sectors. He applauded in particular, the policy of de-risking the investments, development of plug and play infrastructure and business support services as the highlights of the policy.⁵

The positive features Growth Engine Special Economic Zone and New Industrial Policy of Andhra Pradesh should be extended to all districts of Rayalaseema and if possible special Economic status should be focused to spur industrial growth to overcome its

extreme backwardness and special institutions be created to enable the region to implement growth with justice and growth with jobs and growth with balanced and inclusive development of all the present four and future eight to ten districts of Rayalaseema.

Plans for Accelerating Growth

According to Industries Minister, Government of Andhra Pradesh, Sri M. Goutham Reddy, the State has ready plans for accelerating growth, as it offers vast opportunities for investors in the Infrastructure sector besides stabilizing the existing industries providing necessary infrastructure like Airports, industrial corridors⁶.

Sum up:

The slowly emerging development Rayalaseema region should be highly developed region giving primacy to primary sector and providing continues focus on Growth Engines,- Special Economic Zones. It has been clearly proved that the Sri City development model is the growth model to the State. Government has initiated efforts to start Skill Development Institutions – Centres, Colleges, Post Graduate Institutions and Skill Development University. The CEOs of 187 industrial units in Sri City, that participated in a meeting arranged by Finance Minister of Andhra Pradesh on August 7, 2020 gave ample suggestions to train skilled manpower required for the present and future needs of industries.

II. CONCLUSION

The new Industrial policy announced by government of Andhra Pradesh for 2020-30 by Minister for Industries and Commerce and Chairman, Andhra Pradesh Industrial Development Infrastructure Corporation on Monday August 10, 2010 for the State, provide full support to MSME and Women Entrepreneurs and accountability in development and extending incentives like reimbursement of SGST for five years to MSMEs and to large, medium and Mega industries for five years to promote employment creation, reservation to SC and ST entrepreneurs, development of multi sector specific Industrial Parks etc; APIIC will also develop multi-sector or sector specific industrial parks in the notified industrial zones based on raw material and skills availability.

All these positive features will promote Growth Engines of Special Economic Zones to spur growth with justice, jobs, inclusive and balanced development of Rayalaseema region as a highly developed region in Andhra Pradesh. The State has plans for accelerating growth and offers vast opportunities for investors in the infrastructure sector besides stabilizing existing industries.

III. REFERENCE

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