Reprinted from

THE HINDU
South India's No.1 English daily

SATURDAY, OCTOBER 08, 2015

'We aim to attract investments that can create lots of jobs'

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Sri City has a ready-mix of infrastructure, educational institutions, hospitals and logistics facilities. With these facilities, companies will be able to start their operations in a short span of time

At a time industrial units in Tamil Nadu and Andhra Pradesh are scouting for a place free of controversies to set up their factories, Sri City, a private multi-product operational SEZ (special economic zone) located 60 km from north of Chennai, has emerged as an attractive destination with its world-class infrastructure and industry-friendly ambience. Since its launch in August 2008, the SEZ has attracted manufacturing investments from a range of industries.

It is now focused on creating world class social infrastructure in the SEZ, **Ravindra Sannareddy**, *Co-founder and Managing Director of Sri City, spoke to* **The Hindu** *about this mega industrial park and its future.*

Excerpts:

Where does Sri City stand now in terms of attracting industrial investments?

The SEZ is home for about 106 companies from about 26 different countries with proposed investments of about Rs.20,000 crore. Once the ongoing projects such as Isuzu and Cadbury get completed, the total jobs will be about 18,500. Presently, there are about 8,000 direct factory workers and about 2,000 indirect workers such as housekeeping and other support staff. Besides, there are 5,000-6,000 construction workers. These are the numbers inside the SEZ. Sri City projects have also created jobs outside the SEZ by way of component supplies and others. We have well-diverse sectors – from manufacturing to food processing and high-tech industries. Some of the units in our SEZ , though came primarily to cater to the domestic market, have also started exporting their products. All our units are non-polluting ones. Our SEZ is emerging as a hub for medium and large scale industries, such as automotive, aerospace, electronics, technology, logistics & warehousing, biotech/pharma, education & training, IT/BPO, sporting equipment , food processing and FMCG. We have a very high share of food processing units in our SEZ. Impressed with our record in attracting investments in the sector, the Union Food Processing Minister Harsimrat Kaur visited our SEZ to look at the facilities and projects. She complimented our work and described Sri City is one of the best investments destinations.

Post-separation of Andhra Pradesh state, has anything changed for your SEZ?

Traditionally, Andhra Pradesh had only a few industrial hubs – Hyderabad, some pockets of Vijayawada and Visakhapatnam. These were the well-known clusters for industrial investments and jobs. Since Hyderabad has gone with the state of Telangana, Sri City, with its plug-and-play infrastructure, has emerged as one of the key industrial destinations for the Seemandhra state. Since Andhra Pradesh, under the dynamic leadership of Chandrababu Naidu, has embarked on a massive exercise to build the state with large industrial investments, Sri City, though it is a private SEZ, is getting featured in states' list of clusters for investments in Seemandhra.

ILLUSTRATION: L. BALAMURUGAN

Industrial units in Tamil Nadu are also seeing your SEZ as a potential place for expansion. How are you positioning yourself?

The big advantage for Sri City is its strategic location. Though we are located in Seemandhra, our SEZ has emerged as an attractive destination for investors who want to house their operations near Chennai. So, we are also complementing Chennai or Tamil Nadu's industrial growth. Our strategic location also helps Chennai Port since companies keen to locate their units here to take advantage its proximity to Chennai Port. However, for a SEZ like ours, it is a Government of India cleared project, and there are no state boundaries.

TALKING BUSINESS

Your model was a successful one as you created such a large park without much of controversies. How did it click?

As a son of the soil, we knew the demographics. It was a notified backward area. People were not dependent on agriculture. The area consisted of 70 per cent dry land and 30 per cent wet land that had only rain-fed single crops. There were no irrigation facilities. In the farthest corner of the state, the region and the people were craving for jobs and opportunities as there was hardly any industrial unit. So, we chose this industrially-backward area and developed it step-by-step. Over these years, with investments in Sri City, the region has transformed into a bustling one, while enjoying local support due to job creation and overall improvements. Even in job creation too, we have a well balanced mix.

No industry can start the operations only with locals, just-trained or semi-skilled people. While companies in Sri City would employ locals on the shop-floor and other related jobs, they would look for experienced and more skilled people for other functions. As per our latest estimates, about 30 per cent of jobs in Sri City have gone to local people and another 30 per cent to neighbouring places in Seemandhra. Tamil Nadu, other states and expatriates account for the rest.

What has been the social impact of Sri City?

No industrial cluster can thrive without the support of the local community. We enjoy such support by creation of jobs and providing necessary facilities. So, the first impact of Sri City SEZ is on the employment generation side.

The drop-out levels have come down. Aspirations levels have gone up. Parents are asking their children to continue their studies or support their education as they hope jobs will be there for them in the Sri City. Also, various institutions have come up in the region to impart skills. A lot of social infrastructure has come up in the region. Recently, the government announced its plans to set up an international school. Centre is planning to upgrade Tirupathi airport and network of roads. Two hospitals – Lifeline and Sankara Nethrelaya - have been set up in Sri City. With Sankara Nethrelaya, people in the region do their eye check-ups or surgeries. Otherwise, they have to travel all the way to Chennai. Hospitals and schools in Sri City serve the entire region. So, the society has benefitted indirectly in a big way. After hospitals and schools, we are now building housing colonies.

Have you also taken up skill development initiatives since it is a backward area?

There are several initiatives happening. As a developer initiative, Sri City has taken up a skill development programme in the nearby clusters by setting up a skill development centre at Tada. There are also State- and Central-level initiatives. Recently, a government official visited and discussed the possibilities of imparting vocational training at the level 11th and 12th standards level. There is need for workers, and there is enough population. But they have to be trained on necessary skills. It is happening at three levels – corporate, developer and government.

What lies ahead for Sri City?

Sri City today has a ready mix of infrastructure, educational institutions, hospitals and logistics facilities and with such plug-and-ply facilities, companies can start their operations within a short period of time.

We think we have industrial space for 300-500 factories. If most of the future investments flow in small and medium segments, we can accommodate up to 500 units. But, if larger investments such as Isuzu and Cadbury come, we can house about up 300 units.

We are presently one third or 40 per cent level in terms of occupation. When it is fully occupied, we project about 100,000 jobs being created by our SEZ.

We expect to attract more investments from electronics and garment units in the future. These are large job creation sectors i.e. companies like Foxconn is able to create jobs for about 5,000 people with 5 acres of industrial space versus some other industries that create just about 40 jobs with 10-acres of space.

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