

Tamil Nadu Growth Engine of India

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Foreword



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Tamil Nadu, a rich and dynamic state has proved its resilience and fortitude to overcome several disruptions including natural calamities and political turmoil.

The state has a deep-rooted and rich cultural heritage that appears to be introspective with a global vision to enable a positive transformation. Despite the state's strong linguistic homogeneity, it has also welcomed people and entrepreneurs from across the country and the world to create a diverse and healthy economic base.

Tamil Nadu is India's second-largest economy and among the most industrialised states in the country. Traditionally popular for leather and textiles, the state today has a strong manufacturing base led by automobiles and a rich and diverse IT-ITeS sector servicing global and national companies. The state has made significant progress in the post-liberalisation regime to integrate the state's trade and industry sectors into

the national economy through value addition in traditional industries. This has resulted in a rise in exports, which is valued at INR 1.93 Lakh Cr. in 2021 from INR 1.39 Lakh Cr in 2018-19. The conducive investment climate has been instrumental in attracting Foreign Direct Investments of USD 4.1 billion from October 2019 to June 2021.

The robust physical infrastructure across the state has been instrumental in laying a spatial growth of industries and services. Further improving connectivity through various modes of transport is expected to catalyse growth in the future and unlock the development potential for real estate across various traditional and emerging asset classes.

A long coastline and the presence of undersea cable terminals lay open to the massive potential for the data centres in the state. The enabling factors leading to a rise in data consumption in the country and the policy to store data has catalysed this sunshine sector.

A thriving healthcare sector in the state has been successfully drawing patients from across the country and worldwide, in the quest for cost effective and reliable medical procedures. The presence of alternative and ancient medical practices like Ayurveda is also seen to gain prominence across the world and Tamil Nadu stands to gain on this front as well.

These developments are instrumental in laying the foundation for a strong real estate sector in the state. Chennai has exhibited vigour and vitality in the residential real estate front to tide over the COVID-19 pandemic. The markets proved their resilience once again post the first wave in 2020. Yet again, after the second wave this year, new launches and absorption gained further momentum. This growth was mainly driven by rising sentiments towards homeownership amidst the pandemic. The affordable and mid-end segment dominated the markets as the demand was mainly driven by the salaried class. All-in-all, real estate developments are buzzing once again in the city of Chennai.

Hope you find the report insightful and informative.

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Introduction

A Key Contributor to the Nation's Growth

Tamil Nadu is one of the major economies of India. Manufacturing and IT-ITeS are the major growth drivers. The state economy witnessed a sudden contraction during the COVID-19 pandemic, however, it was quick to attain its growth trajectory. Tamil Nadu is recovering at a fast pace post-pandemic, depicting the resilient nature of the state.



State economy



GDP

India's 2nd largest economic contributor

accounting for 9.84% of the national GDP¹



GDP growth

Recorded an economic growth rate of 5.28% in FY'21,

despite the COVID-19 pandemic. Higher than other industrialised states such as Andhra Pradesh, Telangana, Uttar Pradesh and Karnataka²



Exports

3rd largest state in the country with the total exports

valued at INR 1.93 Lakh Cr and accounts for 8.97% of total exports from India in FY'21³

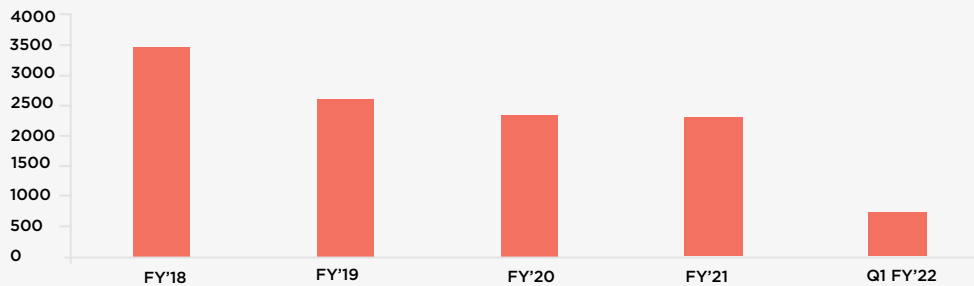


FDI Equity Inflows

5th in terms of Foreign Direct Investment (FDI) equity inflows;

attracted USD 4.1 Bn between Oct-19 to Jun-21, accounting for 4.1% of total FDI equity inflows in India⁴

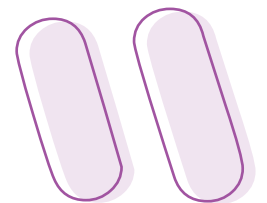
FDI Equity Inflows (USD Mn)



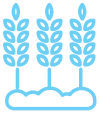
Note: Data till September 2019 includes Pondicherry and Tamil Nadu
Source: DIPP

“We want Tamil Nadu to be one of the best states in South Asia. Our government’s target is to make Tamil Nadu a USD 1 trillion economy.”⁵

MK Stalin - Chief Minister, Tamil Nadu



Major growth drivers



Agriculture⁶

Contributes 8% to India's food processing output

- The largest producer of tapioca & tamarind in India
- 2nd largest producer of poultry & egg in India
- 2nd highest in registered food processing units in India
- 3rd largest producer of tea & coffee in India
- 4th largest producer of marine fish in India



Manufacturing⁷

Home to 17% of factories across India⁸

- 1st in terms of number of factories (over 38,131 units⁹); accounts for 17% of total factories in India¹⁰
- 1st in terms of number of industrial workers in India (2.6 Mn)¹¹; accounts for 16% of total industrial workers across the country¹²
- 1st in terms of manufacturing automobiles & auto components; accounts for 23% of India's total output¹³
- 1st in tyre manufacturing¹⁴
- 1st in cotton yarn production in India (known as



Services

Accounts for over 10% of the country's total IT exports¹⁷

IT-ITeS

- 1st in terms of number of operational SEZs (41 in the state) in India; a majority of them are in the IT-ITeS sector
- 4th largest software exporter of India after Karnataka, Telangana and Maharashtra

Tourism

- 1st in number of foreign and domestic tourists each year since 2014¹⁸; Nearly 392 Mn domestic and foreign tourists visited in 2018, an increase of 12% over the previous year¹⁹

the 'Yarn Bowl of India'); accounts for 41% of the country's production

- 1st in apparel production and 2nd in textile production; home to around 50% of India's garment units
- 2nd in heavy engineering exports (USD 2.49 Bn)¹⁵
- 3rd in electronic exports (USD 1.27 Bn)¹⁶
- 5th in the production of pharmaceutical products in India; accounted for 10% of India's total production

Demographics



Population²⁰

Accounts for 6% of the total population of India

- 1st on the share of urban population among large states in India; nearly 48.45% of the population

living in urban areas, expected to reach 67% by 2030

- 6th in terms of population; registered a decadal growth of 15.6%
- 68% of the state's population is in the working-age group of 15-59 years²¹



Talent Pool

Home to 18% of India’s technical universities²²

- 1st to launch a special program to train eligible candidates in e-vehicle techniques in ITIs²³

- Home to over 2,400 colleges and over 450 ITIs²⁴
- As per the 2019-20 All-India Survey of Higher Education (AISHE), nearly 9 lakh students annually complete various levels of qualification²⁵



Area

Accounts for 4% of India’s total area

- 10th in terms of area; population density of 555 people/km²

COVID Aftermath

Despite the impact of COVID-19 the state has proved its resilience. The economy and the businesses were quick to recover and resume operations to cater to the pent-up demand that had been created during the period. As the

supply of goods and services resumed, the state embarked on a growth trajectory as evident from the GST collections, property registrations, and passenger vehicle sales.

INR 10,643 Cr revenue

during FY’21 through stamp duty & registration charges; only 3.6% less compared to the previous financial year despite the COVID-19 pandemic⁶⁸

Passenger vehicle sales

in India increased by 45% to 2,64,442 units in July 2021 compared to the same month last year⁶⁹; Tamil Nadu holds a prominent position in automobile production in India

GST collections

increased by 21% in September 2021 compared to September 2020

Awards & Accolades

- 1st in the Good Governance Index (GGI) amongst 18 biggest states in the composite ranking²⁶
- 2nd best-governed state of India in the Public Affairs Index 2020²⁷
- 2nd in the Sustainable Development Goals (SDG) India Index²⁸
- 2nd in terms of states with the highest employability, with Chennai being ranked in the top 10 employable cities²⁹
- 2nd in new job creation among states under the India Business Process Outsourcing Promotion Scheme (IBPS)³⁰
- 3rd in the India Innovation Index 2020³¹
- 3rd in Export Preparedness Index³²
- Chennai ranked 4th in the Ease of Living Index under 1 Mn+ residents’ category³³
- ‘Overall Best Performing State’ for the 3rd consecutive year in the ‘State of the States’ survey³⁴
- The best-performing state for functional drinking water facility in schools³⁵

Infrastructure

A robust existing and planned physical infrastructure

Tamil Nadu is well-connected to the other parts of the country and the world through a multi-modal transport system. The well-established existing physical infrastructure and a healthy pipeline of upcoming infrastructure projects are likely to drive the next wave of growth in the state.





Airports³⁹



Ports³⁷

Current

- Tamil Nadu has four international airports – Chennai, Coimbatore, Madurai, and Tiruchirappalli (Trichy).
- These four airports handled 4.01 Mn passengers between Apr-Sep’21 which is 6% of the total traffic handled across the country.
- Chennai International Airport, the biggest airport in the state, handled 3.17 Mn passengers between Apr-Sep’21; increasing by 213% compared to the same period last year.

- Tamil Nadu has 3 major and 16 minor ports out of 12 major and 205 minor ports across the country.
- The state has the maximum number of major ports in any state – Chennai Port, Ennore Port, and VO Chidambaranar Port (formerly known as Tuticorin Port Trust).
- These 3 major ports handled 59.6 MMT of traffic between Apr-Sep’21; accounting for nearly 17% of the total traffic handled by 12 major ports of India.
- Chennai port is the biggest in the state, handled 23.1 MMT of traffic between Apr-Sep’21 compared to 18.4 MMT of traffic during the same period last year, registering an annual increase of 26%.

Planned

- Five airports are sanctioned under the Udan scheme at Salem, Neyveli, Vellore, Ramanathapuram, and Thanjavur in Tamil Nadu. The work is in progress for these airports.
- Chennai’s 2nd airport is planned at Sriperumbudur at a total cost of INR 15,000 Cr. The project is planned to be completed by 2027⁴⁰.
- A new integrated passenger terminal building is planned at the existing Trichy airport with a total cost of INR 951 Cr. The project is expected to be completed by March 2022.
- Upgradation and expansion of existing Tuticorin airport to be completed by 2023 with a total cost of INR 381 Cr.

- 4th major port of the state is planned at Enayam. The project is expected to be completed in phases by 2035 with a total cost of INR 19,884 Cr. Phase 1 of the project is expected to be completed by 2025 with a capacity of 24 MTPA. The total capacity of the project is likely to be 96 MTPA.
- A Multimodal Logistics Park (MMLP) at VOC (V. O. Chidambaranar) Port in Chennai has been proposed with an estimated cost of INR 347 Cr. The project is expected to be spread across 121.74 acres land parcel which is currently in the possession of Chennai Port.³⁸





Metro Rail & Monorail

~45-km long metro rail network is operational in Chennai⁴⁴.



- The 119-km long second phase of the Chennai Metro is expected to be completed by 2026 with a total cost of INR 63,246 Cr. The proposal is under active consideration of MoHUA (GOI).
- 144-km long Coimbatore metro rail routes proposed with an estimated cost of INR 6,300 Cr. Chennai Metro Rail Limited (CMRL) has already appointed Prime Meridian Survey to commence feasibility study and route survey work for the project.
- The state government announced the development of a metro rail network at Madurai.
- 3 corridors are planned under the Chennai monorail project.



Railways

- The state has a 5,492 km long-running track which is 5.5% of total running tracks across the country³⁶.
- With around 532 railway stations across the state, Chennai is the headquarter of Southern Railways.
- Well-established suburban rail network across Chennai.
- 18 new railway stations are proposed across Tamil Nadu, some of them are at Vandavasi, Cheyyar, Arani, Arcot, Ranipet, Kodaikanal, and Pallipattu.
- Various new railway lines are also proposed to improve connectivity.
 - 180-km long Tindivanam-Nagari line to connect Villupuram, Vellore, Tiruvannamalai, and Tiruvallur with Chittoor
 - Chennai-Cuddalore railway line via Mamallapuram and Puducherry
 - Karaikudi-Kanyakumari railway line along the East Coast Road (ECR) via Thoothukudi, Tiruchendur, and Rameswaram
 - 215 km long Karaikudi-Thoothukudi railway line via Ramanathapuram
 - 248-km long Ramanathapuram-Kanyakumari railway line to connect Thoothukudi, Tiruchendur, and Kudankulam
 - 77-km long Tirunelveli-Sankarankoil railway line
- 435-Km long Chennai - Mysore High-Speed Rail (CBM Bullet Train) project has been proposed. The project is at the planning stage and is expected to connect Chennai with Mysore via Bengaluru.
- Planned to expand Mass Rapid Transit System (MRTS) to tier-II cities. The government has approved the preparation of feasibility studies to implement it in the southern districts of Madurai, Salem, Tiruchirappalli, and Tirunelveli.



Roads⁴¹

Current

- Tamil Nadu has nearly 2.61 lakh km length of road network spread across the state.
- The state has 66,039 km length of national highways, state highways, major district roads, and other district roads.
- The total length of National Highways in Tamil Nadu is 6,634 km, out of which 4,734 km are maintained by NHA and the remaining length is maintained by the state National Highways wing.
- Over 100 km of National Highways completed during FY'20 with a total cost of INR 423 Cr.⁴²

Planned

- 134-km long Chennai Peripheral Ring Road to connect Ennore port to Mamallapuram near Poonjeri junction of ECR. The project is likely to cost INR 12,301 Cr. Tata Projects secured the order of INR 2,100 Cr for Phase-I of the project.
- Western Ring Road is proposed at Coimbatore at a total cost of INR 845 Cr. The road is proposed to start from Mayilkal and end at Narasimhanaickenpalayam.
- Proposed Madurai Ring Road phase-1 highway project under the Bharatmala Pariyojana Scheme.
- 43-km long semi-ring road project planned in two stages at Trichy.
- Six-laning of Chittoor-Thachur Road from Pondavakkam to Kannigaipair (length – 20.06 km) has been planned under Bharatmala Pariyojana.

Industrial Corridors:⁴³

- **Chennai-Bengaluru Industrial Corridor (CBIC)**– The special purpose vehicle to develop the Ponneri node has been created and the master planning is underway. CBIC will be extended to the western region of the state as Kochi-Coimbatore Industrial Corridor including an Integrated Manufacturing Cluster in Salem.
- **Chennai-Kanyakumari Industrial Corridor (CKIC)**– Being implemented in partnership with the Asian Development Bank as the 2nd phase of the East Coast Economic Corridor to promote port-based economic development. This corridor covers 23 districts of Tamil Nadu. The Comprehensive Development Plan has been prepared and the preparation for Phase-II is near completion.
- **Tamil Nadu Defence Industrial Corridor (TNDIC)**– Launched in 2019, it covers 5 nodal cities, namely, Chennai, Hosur, Salem, Coimbatore, and Tiruchirappalli. The project has attracted investment proposals worth INR 3,123 Cr from the ordnance factory boards, defence public sector undertakings, and private sector.





Note: Map not to scale, for representation purposes only
Source: Industry Sources, Compiled by ANAROCK Research

Major infrastructure announcements for Tamil Nadu in ‘Union Budget 2021-22’

- Around 3,500 km of national highway works are planned with an investment of INR 1.03 Lakh Cr. These include two corridors in the state, Madurai-Kollam, and Chittoor-Thatchur.
- Construction of 278-km long Bengaluru-Chennai Expressway and 277-km long Chennai-Salem Corridor are proposed and the projects are under development.
- Multipurpose seaweed park planned in the state.
- The central government approved the funds of INR 63,246 Cr for the development of 118.9-km long Chennai Metro Railway Phase-II.
- The central government decided to develop 5 fishing harbours as hubs of economic activities, Chennai is one of them.

Tamil Nadu is blessed with a natural coastline. The existing ports have taken due advantage of the same and the state has been a key EXIM destination of India. Along with port infrastructure, the state also possesses a robust rail and road network which has been a key growth driver for a multitude of industries

thriving and growing in Tamil Nadu.

The plans to further augment the road, rail, air, and port infrastructure will surely aid the state's growth and development in the years to come.

Industries

A dominant industrial state of India with a presence of companies from various sectors

The state witnessed immense economic growth in the last couple of decades. It has become one of the major investment destinations due to its strategic location, conducive business environment, robust physical infrastructure, and favourable government policies.



World-class physical infrastructure enables industrial development across the state



32 GW

Installed capacity -
Power surplus state



41

Operational SEZs



15Tb

Largest bandwidth
amongst states



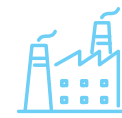
576

Engineering Colleges



5

Industrial Corridors



39

Industrial Clusters

Tamil Nadu's Performance Across Sectors⁴⁵

| Sector | TN Rank | Output (INR Cr) | % Share of India's output |
|--------------------------------|-----------------|-----------------|---------------------------|
| Automobile and Auto Components | 1 st | 1,88,603.23 | 23.03% |
| Wearing apparel | 1 st | 44,175.20 | 33.47% |
| Leather & related products | 1 st | 15,677.30 | 28.34% |
| Textiles | 2 nd | 92,422.84 | 22.05% |
| Machinery | 2 nd | 71,630.63 | 19.51% |
| Electronics | 2 nd | 30,052.02 | 15.07% |
| Fabricated metal products | 2 nd | 28,743.32 | 13.59% |
| Rubber & plastics | 3 rd | 30,804.38 | 11.03% |
| Food processing | 4 th | 96,035.55 | 8.65% |
| Chemicals | 4 th | 36,104.34 | 5.46% |

The Government recently announced the Tamil Nadu Industrial Policy 2021-2025, to provide further stimulus to the industrial growth in the state by enticing more investments. The policy aims to attract investments worth over INR 10 lakh crore by 2025, achieve an annual growth rate of 15% in the manufacturing sector during the policy period, increase the contribution of the manufacturing sector to 30% of the state's economy by 2030 (currently 25%), and create employment opportunities for about 20 lakh

people by 2025.

A new MSME Policy has also been unveiled along with the new industrial policy to make Tamil Nadu the most vibrant ecosystem for MSMEs/start-ups. The new MSME policy targets to attract new investments worth INR 2 lakh crore by 2025. Currently, there are 24,290 MSMEs registered under Udyog Aadhaar Memorandum, employing around 3 lakh people⁴⁶.

Automobile & Auto Components

Tamil Nadu is one of the top 10 automobile hubs in the world

1,300+
automobile factories

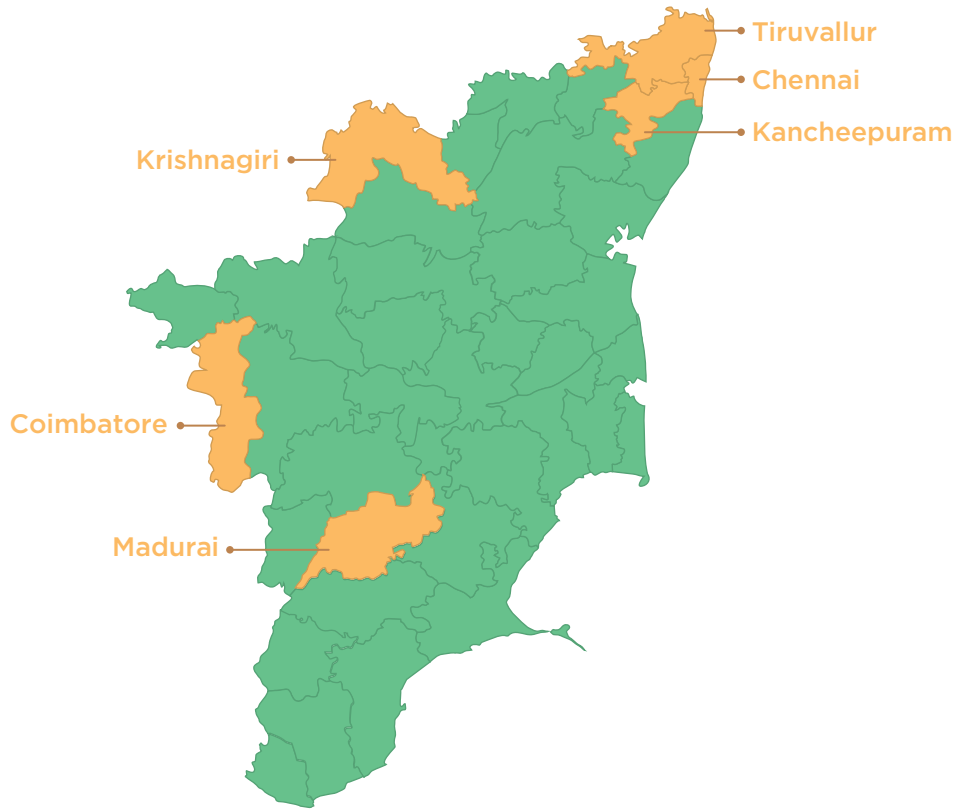
35%
country's auto
component production

200+
automobile engineering
colleges

800+
electronics engineering
colleges

1st
in tyre manufacturing

1.7 Mn
units of cars/annum,
Known as 'Detroit of
India'



Automobile clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only
Source: Government of Tamil Nadu; Compiled by ANAROCK Research

Chennai-Kancheepuram-Thiruvallur

The cluster has the largest auto and auto components industry base. Chennai alone has more than 350 suppliers along with a few thousand small and medium units in the sector.



Krishnagiri

Home to major Indian and foreign automobile and auto ancillary units



Coimbatore

Home to well-established tier-I and tier-II auto ancillary units along with two EV manufacturing companies



Madurai

Home to 3 companies of TVS Group and TAFE Ltd.



COVID-19 Pandemic: An Impact Assessment

Indian automobile industry contributes significantly to the growth of the nation. However, for the last 2 years, automobile sales were decreasing. In 2019, automobile sales decreased by 11% annually to 3.5 Mn units⁵⁴. The slowdown further stretched in 2020 due to COVID-19. Automobile sales decreased by 19% in 2020 to 2.9 Mn units⁵⁵ compared to the previous year. As per industry estimates, the automobile industry lost more than INR 2,300 Cr turnover every day during the lockdown. However, passenger vehicle sales increased by 58% in H1 FY'22 compared to the same period last year due to the low base effect⁵⁶.

Despite issues like the ongoing pandemic, shortage of parts (semi-conductor crisis), increase in car and fuel prices, the growth in car sales is remarkable.

FY2020-21 has been the year of challenges for every sector and the automobile industry is no exception. To overcome the unprecedented challenges, the leading players in the sector embraced digitization to cater to the customers and kept factories running under COVID-19 SOPs.

We expect FY2022 and beyond to be the years of continuous growth.

The sector has immense potential to grow further. The Indian automobile industry is estimated to reach USD 300 Bn by 2026 and become the world's 3rd largest automotive market by volume⁵⁷.

Additionally, 100% FDI allowed in the sector under the automatic route without prior approval required from Gol or RBI may provide impetus to the sector. The recent reduction in excise duty and VAT on fuel decreased the fuel prices significantly which may help to boost automobile sales in coming quarters.



Textiles & Apparels

Accounts for 1/3rd of the textile business in India - known as 'Textile Valley of India'

54 Clusters

of handloom, the highest in India

20% of total

export of readymade garments of India

40% of total

yarn production in India, the highest in the country

50%

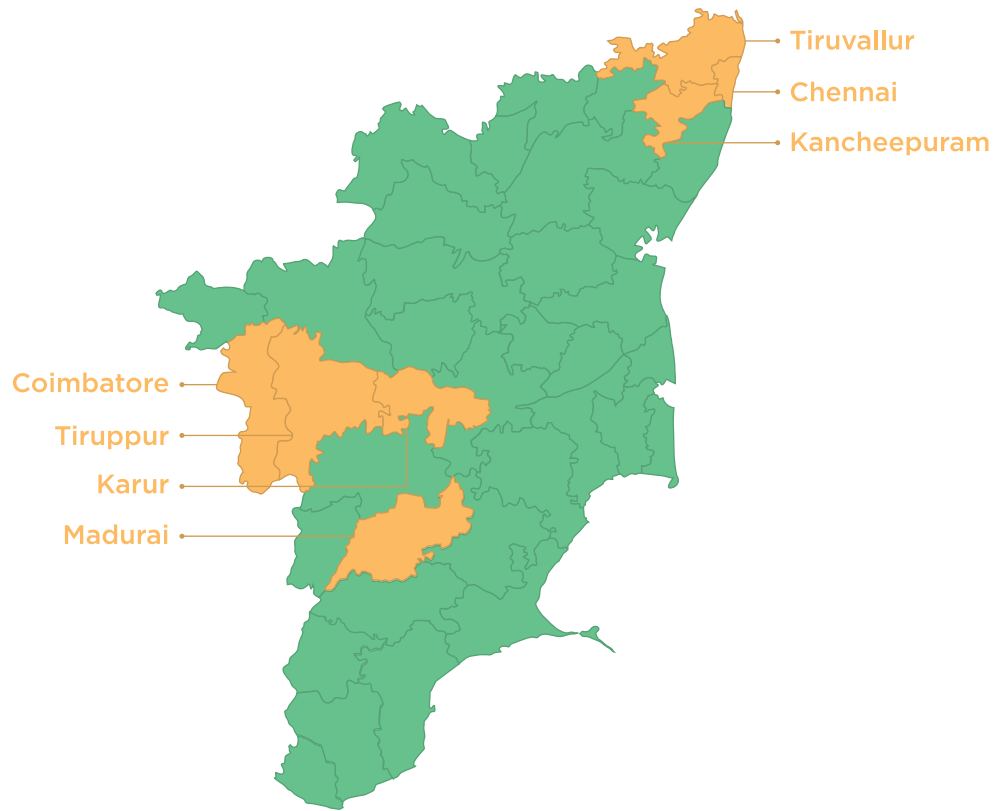
of total textile mills

31 Lakh employed

in this sector, 28% of India's total employment

4%

of India's GDP from this sector in Tamil Nadu



Textile & Apparels clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only

Source: Government of Tamil Nadu; Compiled by ANAROCK Research

Major Players



| Cluster | Infrastructure | USP | High potential sub-sectoral areas |
|----------------------------------|---|--|--|
| Chennai-Kancheepuram-Thiruvallur | SIDCO JICA Technical Textiles Park, Perarignar Anna Handloom Silk Park, SIPCOT Cheyyar Industrial Park | Predominant cluster for readymade garments, Chennai port helps in EXIM activities | Readymade garments & technical textiles |
| Coimbatore | Palladam Hi-Tech Weaving Park | Major yarn producing center, home to institutes such as Central Institute for Cotton Research, SITRA, CFTI, etc. | Yarn, fabrics & technical textiles |
| Tiruppur | Netaji Apparel Park, Tiruppur Export Knitwear Industrial Complex, SIDCO Industrial Estate, JS Apparel Park, Palladam Hi-Tech weaving Park | Home to more than 6,000 textile units, Exports, and domestic turnover of over USD 5.23 Bn | Knitwear, weaving, & processing |
| Karur | Karur Integrated Textiles Park, SIDCO JICA Technical Textiles Park | Hub of home textiles in South India | Home textiles, power loom |
| Madurai | Madurai Integrated Textile Park | Known for the fine quality of cotton textiles, famous for Chungidi sarees | Yarn, fabrics, readymade garment, power loom |

Source: Government of Tamil Nadu; Compiled by ANAROCK Research

COVID-19 Pandemic: An Impact Assessment

The textile sector, with USD 37 Bn exports and USD 85 Bn domestic consumption, provides significant employment opportunities in the country.⁵⁸ The impact of forced lockdown was imminent on the sector. However, the sector was quick to recover.

Total merchandise exports in August 2021 registered a growth of 28% compared to August 2019⁵⁹. As per the estimates of the Confederation of Indian Industry (CII), India's textile exports are expected to grow by 81% to USD 65 Bn by 2026 from the pre-COVID level of around USD 36 Bn in 2019 on the back of 'China Plus One' sentiment. Amidst this growth, the sector may also generate 7.5-10 million new jobs. India also aimed to increase the exports of technical textiles from USD 2 Bn to USD 10 Bn in the next 3 years, as per the Union

Commerce and Textiles minister.

Previously, the sector was projected to grow at a CAGR of ~12% to reach USD 220 Bn by 2025-26⁶⁰. Due to the COVID-19 outbreak, the domestic market is estimated to shrink by around 30%⁶¹ and as per the revised estimates post-pandemic, the domestic market is estimated to reach USD 120 Bn by 2024⁶². On the other hand, the sector witnessed a significant reduction in foreign demand as well due to the global slowdown. India is the 2nd largest manufacturer and exporter of textiles in the world after China with a share of 5% in the global trade.

To combat the slowdown infused by the pandemic, the Central government provided INR 3 Lakh Cr collateral-free automatic loans for businesses, including the MSMEs. This fund revitalized the critical sectors of the economy by providing direct benefits to various businesses including textile and apparel units. Extension of moratorium by 6 months on loan interest along with 4 years' repayment period including a one-year postponement for MSME segments for COVID-19

loans provided the necessary impetus to the sector. The sector is likely to bounce back with an uptick in domestic and foreign demand as

the vaccination drive is underway and things are returning to normalcy.



IT-ITeS

Low real estate costs and availability of a skilled workforce enabled the setting up of IT-ITeS companies in the state

11% Share

of total IT investments in India

>90,000 Graduates

in IT-related disciplines every year

6.6 lakh

people get direct employment

6 Submarine cables

connect Chennai to the world with 15 TBPS speed (largest bandwidth amongst Indian cities)

IT Giants

Home to IBM, Cognizant, TCS, Infosys, HCL, Accenture, Amazon, etc.

Viswanathapuram, Hosur

377.08
Total Area (Acres)
INR 1,940 Mn
Total Investment

Jagirammalayam, Salem

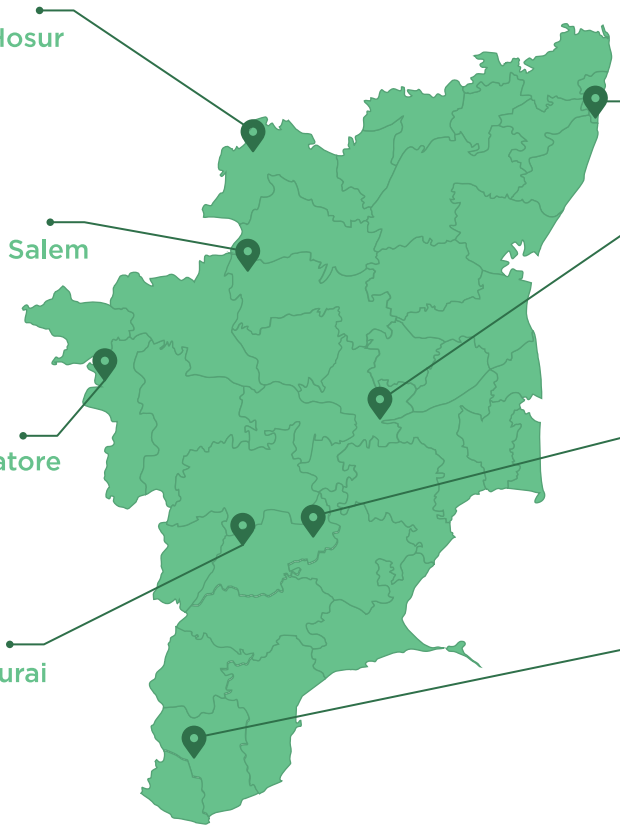
377.08
Total Area (Acres)
INR 1,940 Mn
Total Investment

Vilankurichi, Coimbatore

377.08
Total Area (Acres)
INR 1,940 Mn
Total Investment

Illandhaikulam, Madurai

28.91
Total Area (Acres)
INR 344 Mn
Total Investment



Sholinganallur, Chennai

377.08
Total Area (Acres)
INR 1,940 Mn
Total Investment

Navalpattu, Tiruchirappalli (Trichy)

123.23
Total Area (Acres)
INR 600 Mn
Total Investment

Vadapalanji, Madurai

213
Total Area (Acres)
INR 450 Mn
Total Investment

Gangaikondan, Tirunelveli

377.08
Total Area (Acres)
INR 1,940 Mn
Total Investment

IT-ITeS clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only
Source: Government of Tamil Nadu; Compiled by ANAROCK Research

Major Players



The state has investment opportunities in various sectors



BPO, KPO, and LPO

Qualified talent pool and well-developed tier-II cities with lower real estate costs provide a strong base to process outsourcing companies.



Engineering and R&D Services

The state has a diversified economic base that provides an ideal environment for research and development centers.



Data Centres

Strategic location, excellent connectivity through optical fiber network, and ample power supported the growth of data centres in Chennai.



Centers of Excellence

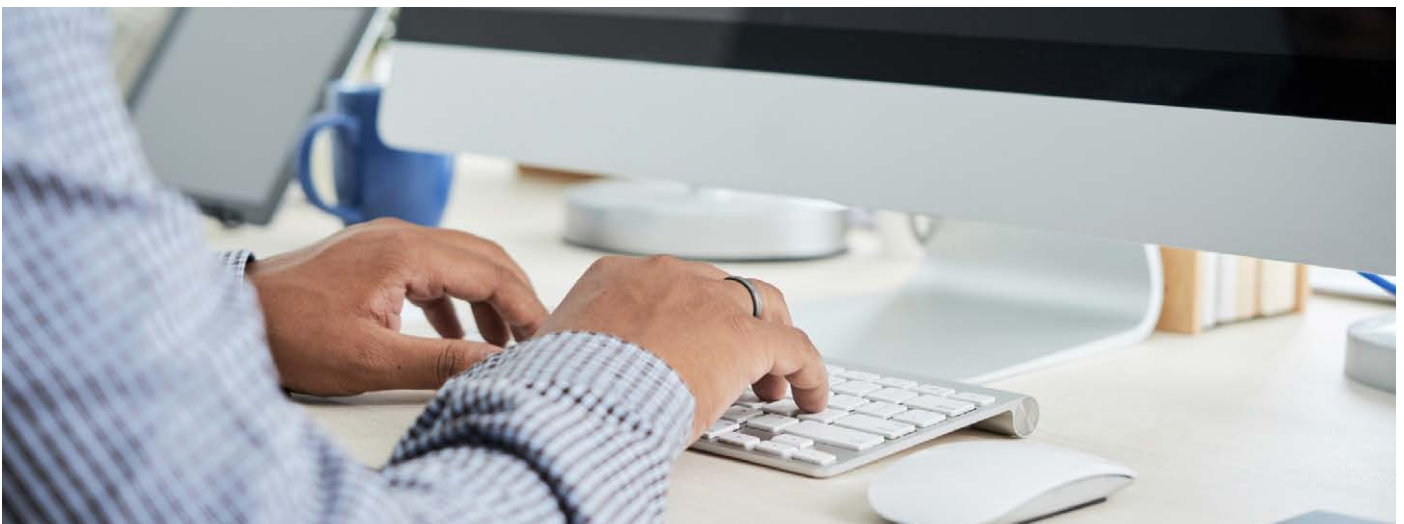
Collaboration between industry and academia to create centers of excellence in emerging technologies.

COVID-19 Pandemic: An Impact Assessment

IT-ITeS companies in developed countries outsource a majority of their work to India and China due to the availability of skilled workforce at a lower cost in these countries. Also, the real estate costs in India are significantly low as good-quality offices are available at sub-dollar rentals. The growth of the Indian IT-ITeS sector is heavily dependent on developed countries. These developed countries suffered heavy business losses during the COVID-19 pandemic and the economy of these countries contracted significantly during 2020-21. However, IT/ITeS sector in India saw significant growth during the period amid rising business. The Indian IT and BPM sector employs around 4.4 Mn people, directly and indirectly.

As we see now, technology has become a key necessity for every industry as the physical movement of goods and services was restricted during the forced lockdown and the pandemic has forever changed the ways & means of doing business.

Work from home and online schooling became the norm. As per industry experts, the IT-ITeS sector is growing at a fast-pace post-pandemic compared to other sectors. With more normalcy returning across the globe since the pandemic, the Indian IT-ITeS sector may shine brighter.



Data Centre: Digital Transformation and Cloud-Based Solutions to Drive This New-age Asset

Advantage Tamil Nadu:

- The existing information technology ecosystem
- Submarine cable landing stations
- The optical fiber cable network
- Surplus power

The rising propensity to consume data since the demonetisation in 2016 was accentuated during the pandemic. Low data tariffs and affordable smartphones have facilitated the need for data consumption along with the government's realisation of the criticality of data protection spurred the demand for data centres in India. Chennai is well poised and to capitalise on this opportunity and the state government has already initiated plans to leverage the same.

Tamil Nadu has 6 submarine communications cables with a bandwidth of 14.8 terabytes per second (TBps), the highest in the country. According to the Telecom Regulatory Authority of India, Chennai is among the top five service areas in India for broadband subscriptions.

The most common requirements to establish a data centre include submarine cable landing stations, ample power supply, and thriving IT infrastructure. All of these already exist in Tamil Nadu.

Ambattur and Siruseri are the preferred choices for the data centre companies owing to the geographical conditions. Proximity to the sea cable landing stations and the presence of large-scale

IT-ITeS, BFSI, and the manufacturing sector is also expected to drive demand in the future.

Singapore is the leading country in Southeast Asia that houses over 60% of the data centers in the region. The abundant availability of high-bandwidth communications infrastructure and sub-sea connectivity together with the proven capability of managing data privacy and cyber security makes Singapore the leader in the region. However, Singapore's Ministry of Trade and Industry has announced a temporary halt to the approvals of new data centres in the country as they evaluate the balance between environmental sustainability and supporting business needs. This lays open the opportunity for Tamil Nadu to fill in the gap.

The state government is planning to increase the capacity in Chennai from 54MW to 79MW over the next 2 years. The state government has been proactive and signed multiple MOUs with several global and national players such as Yotta, Web Werks, and CapitaLand among several others entailing investments of INR 18,827 Cr.

While the IT-ITeS and manufacturing sectors have enabled the economic transformations of the state, the data centres are also expected to catalyse the growth and create employment opportunities for nearly 10,000 people.

Electronics & Hardware

Tamil Nadu is a globally competitive ESDM⁴⁷ destination

16% share

of total electronics production in India

2nd largest

manufacturer of Computer, Electronics, & Optical Products

USD 2.3 Bn

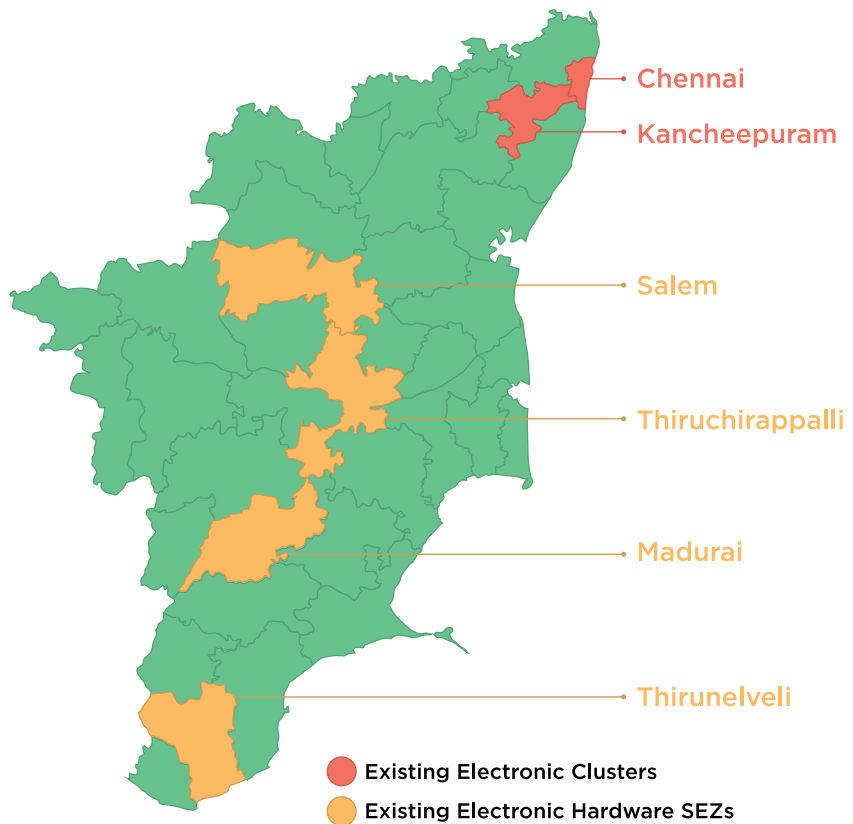
electronics exports for FY 2019-20 with 23% annual increase

28%

of electronic exports, from electrical machinery & equipment and others in FY 2019-20

62%

of state's total electronics output from computers & peripheral equipment



Electronics Manufacturing clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only

Source: Government of Tamil Nadu; Compiled by ANAROCK Research

Major Players

NOKIA

SAMSUNG

flex



Panasonic

FOXCONN



Salcomp
POWERING THE SMART WORLD



TOSHIBA



HITACHI
Inspire the Next

Chennai-Kancheepuram

Sriperumbudur to Oragadam stretch emerged as an Electronics Manufacturing Services (EMS) Corridor. There are 2 SEZs for electronics and hardware manufacturing.

1. Hi-Tech SEZ at Sriperumbudur, spread over 486 acres

2. Hi-Tech SEZ at Oragadam, spread over 348 acres

Mahindra World City is a multi-sector Special Economic Zone which was established in 2002.

Salem, Tiruchirappalli, Madurai, and Tirunelveli

Existing electronic hardware SEZs in these districts have a strong base in mobile manufacturing, industrial and strategic electronics, consumer

electronics, electronic components, computer, and peripheral equipment.

COVID-19 Pandemic: An Impact Assessment

China is the largest electronics hardware manufacturer across the globe. The COVID-19 originated from Wuhan in China and spread across the world. This resulted in a strict lockdown in China as well as other countries, resulting in supply chain disruption of electronic items and availability of the workforce across the globe. In India, only the delivery of essential items was allowed during the lockdown which hampered the demand for electronic items. However, the demand for mobile phones and electronic items is increasing with the decreasing COVID cases, opening up of offices, and improvement in employment opportunities. India has inherent demand for electronic items. It is the 2nd biggest smartphone market in the world in terms of active unique smartphone users crossing

220 Mn users. It is also the 2nd largest television and internet subscription market in the world.

On the other hand, companies' over-reliance on China for manufacturing was exposed during the pandemic. The companies are now actively looking out for alternatives and India is the strongest competitor.

Tamil Nadu is one of the major producers and exporters of electronic items in India. It may get the benefit with the growth of the electronic and hardware sector in India.



Logistics, Warehousing, and Industrial Parks

Pandemic increased the demand for warehousing, logistics, and industrials sector

5 sea & 65 dry
ports in the state

3 international
air cargo terminals

25 private
industrial parks

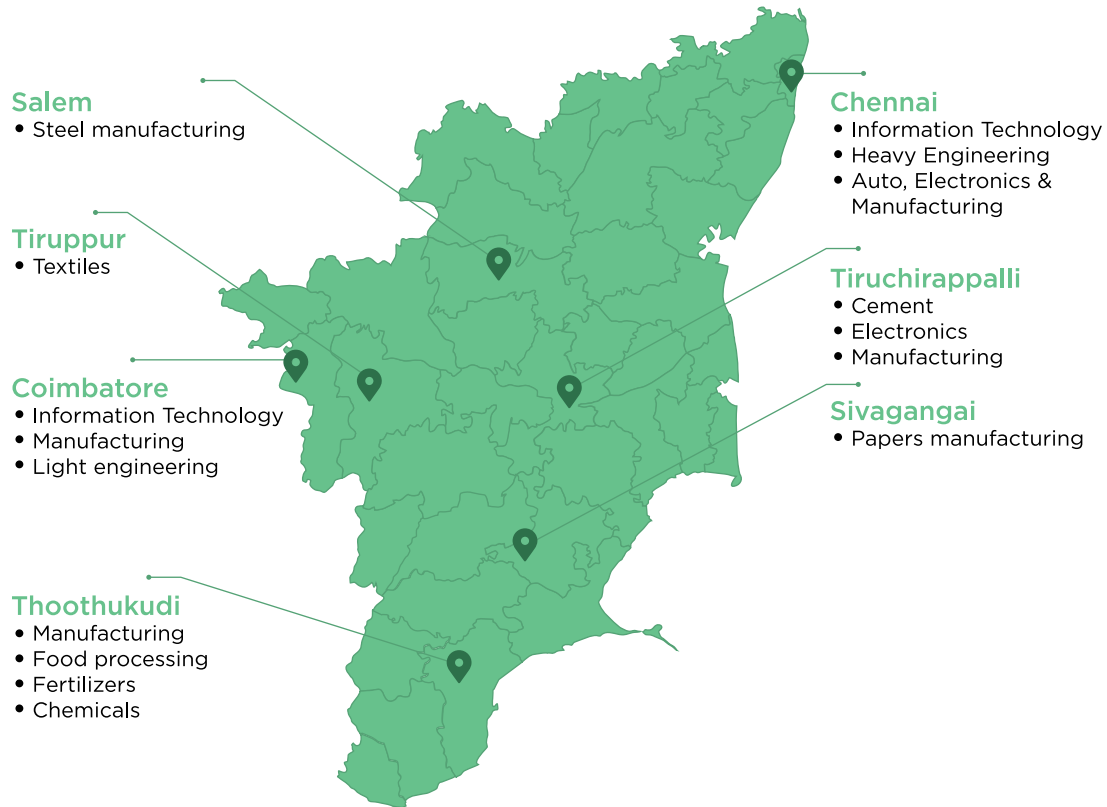
41 SEZs
one of the highest in India

3 industrial corridors
Chennai-Bengaluru,
Chennai-Kanyakumari,
Kochi-Coimbatore-Bengaluru

>120 SIDCO, 3 FTWZs
parks for small scale industries

Water and Electricity
ample supply

23 SIPCOT Parks
state-owned



Logistic, warehousing, and industrial park clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only
Source: Government of Tamil Nadu; Compiled by ANAROCK Research

Major Players



Industrial Park

The state has various sector-specific and multi-sector industrial parks to boost production. SIPCOT uplifts industrial park development by establishing joint ventures.

Logistics and Warehousing Park

5 large ports (4 large ports in Tamil Nadu and 1 large port in Puducherry) provide a conducive environment for export and import businesses across the state.

SEZ & FTWZ

International manufacturing and trade hubs helped to develop SEZ and FTWZ across the coastal districts.

Plug & Play facilities

Need for plug and play facilities rose with the companies' intention to shift their manufacturing base from China to India. These places are strategically located near the shipping hubs.

COVID-19 Pandemic: An Impact Assessment

Over 1.2 Bn people were locked down in their houses for almost 2 months to contain the spread of COVID-19. Economic activities were slow during the period due to restrictions on the physical movement of goods and services. This led to manufacturing activities slowing down significantly. Gradually, restrictions were relaxed to unlock the economy in a phased manner. Slowly, Indian economy started ticking, so did the manufacturing, industrial, logistics, and services. To substantiate, the Index of Industrial Production (IIP) depicted a V-shaped recovery during 2020. However, it decreased marginally during the 2nd wave but recovered quickly due to relaxations during the lockdown in April-May 2021. The IIP index increased to 146 in March 2021 from 54 in April 2020. As of August 2021, the IIP index is at 131; increased from 115 in May 2021⁶³.

China is known as the 'world's factory' owing to its significant contribution to the world's manufacturing sector. Due to supply-side disruptions during the pandemic, these global manufacturing companies are looking out for an alternative and India is a strong competitor in their list. The Indian manufacturing industry accounted

for 12.9% of GDP in 2020. Although, it is low as compared to China's contribution of 26.2% in 2020, the United States is way below at 10.9% as of 2019⁶⁴. The way the manufacturing industry bounced back with full force; the future looks even brighter.

The logistics and warehousing sectors gained momentum despite the lockdown. People confined to their homes were heavily dependent on E-commerce and other digital platforms for their needs across essential, electronics and apparel.

Flipkart and Amazon witnessed significant improvement in their sales during the lockdowns. As a result, these segments thrived. The warehousing sector witnessed expansion as many companies, mainly E-commerce giants were seen to add in-city warehouses to cater to their rising demand and the trend is seen to gain further momentum in the future.



Pharma & Bio-Tech

The sector received booster dose in Budget 2021-22

5th largest

pharmaceutical manufacturing state in India

2.6% pharma

production⁴⁸ of the country

~88,000

registered pharmacists in the state

>400 specialist

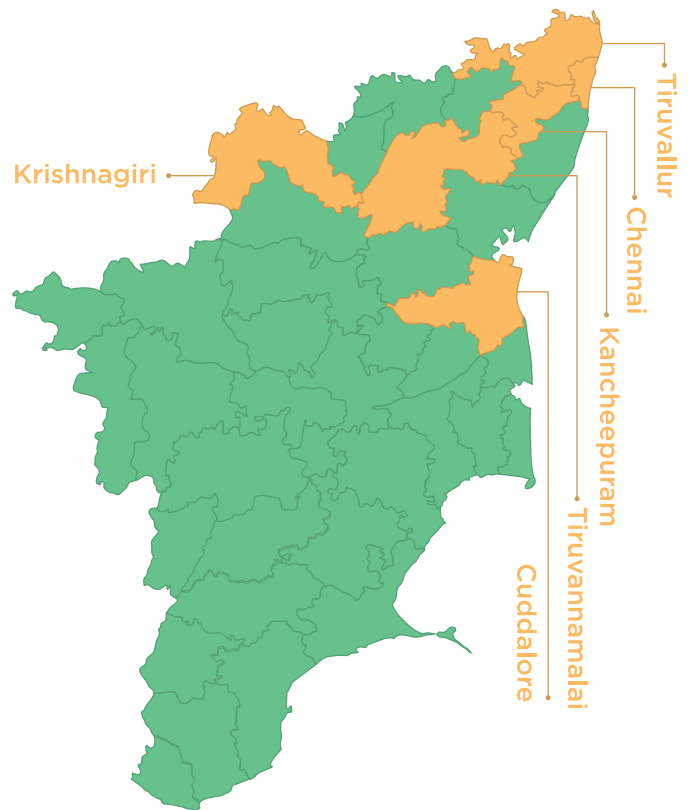
pharmaceutical companies dealing in bulk drugs, API, formulations, and medical devices

4.3%

of India's total employment in the sector

>70 institutes

in pharma & biotech



Pharma and Biotech clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only
Source: Government of Tamil Nadu; Compiled by ANAROCK Research

Major Players



| Cluster | Infrastructure | USP | High potential sub-sectoral areas |
|---------------------------------|---|--|--|
| Chennai-Kancheepuram-Tiruvallur | MEPZ Tambaram, SIDCO Guindy, IDPL (Nandambakkam Public Sector Company), TICEL I Bio Park, TICEL II Bio Park, TICEL III Bio Park, The Golden Jubilee Biotech Park for Women, SIPCOT Irungattukottai, SIDCO Alathur, HLL Medipark | Leading pharma and biotech companies such as Orchid, Apex, Biocon, HBL are in the vicinity | Bulk drug manufacturing, biotechnology R&D, medical formulations |
| Krishnagiri | SIPCOT Bargur Industrial Complex, SIPCOT Hosur | Proximity to Bengaluru, availability of skilled resources, suitable availability of land | API & formulations, medical equipment, health care products, clinical research, genetic engineering, drug research and development, consumables, dental products |
| Cuddalore | SIPCOT Cuddalore Industrial Complex | High potential region for the production of APIs, bulk drugs, and formulations | API & formulations, medical equipment |
| Tiruvannamalai | SIPCOT Cheyyar Industrial Complex | Availability of red category land, upcoming location for Bulk Drug Park | Planned Bulk Drug Park |

Source: Government of Tamil Nadu; Compiled by ANAROCK Research

COVID-19 Pandemic: An Impact Assessment

COVID-19 has shown the importance of robust healthcare infrastructure in the country. Budget 2021-22 witnessed major announcements to strengthen the sector to combat such unprecedented crisis in the future. Tamil Nadu is also likely to benefit as the sector contributes significantly to the economy of the state.

Chennai is a leading destination for medical tourism at the global level.

The state exported surgical, medical devices, Ayush & herbal products, bulk drugs, and bulk

drug intermediaries worth USD 484 Mn in FY'19, equivalent to 2.5% of total national exports.

India imports >70% of its API (Active Pharmaceutical Ingredients) requirements which has huge upside potential. Also, the healthcare market is expected to reach USD 372 Bn by 2022⁶⁵, and the Biotechnology sector is expected to reach USD 150 Bn by 2024-25⁶⁶ which shows inherent demand. High global demand for COVID-19 vaccines will work as a catalyst for the sector. COVID-19 vaccination drive spread awareness about the benefits of vaccination across the nation.

Perfect Blend for Medical Tourism Best Healthcare Facilities, Booming Pharma and Rich Heritage

Advantage Tamil Nadu:

- Availability of specialists of international repute
- Excellent nursing care
- State-of-the-art medical equipment
- Cutting-edge diagnostic technology
- Proficiency in organ transplantation
- Doctor to patient ratio of 1.6 per thousand against 1.0 per thousand recommended by WHO
- The cost of treatment is nearly 30% lower, compared to other countries
- Excellent options in alternative medicines such as Ayurveda and Siddha which is gaining acceptance by the western world

Affordable, yet competent healthcare services make Tamil Nadu a coveted centre for patients internationally. Despite competition from other Asian countries like Malaysia and Thailand, major cities of the state, particularly Chennai, have established hospitals with proficient doctors and paramedics across a wide spectrum of specialties.

Currently, the state has been hosting patients from other countries including Oman, Maldives, Nigeria, Kenya, and Tanzania, as well as from developed nations such as UAE, UK, and the USA.

Nearly 40% to 50% of the patients arriving in India prefer Tamil Nadu. There are several reasons which are in favour of Tamil Nadu to be the preferred medical destination by patients across diverse countries.

The rich historical and cultural heritage of the state offers an opportunity to the caregivers of patients undergoing prolonged treatment. The sizeable influx of patients has been instrumental in creating a supportive tourism infrastructure leading to the rise in travel houses and hospitality centres for the patients.

Hospitals and travel houses assign personnel to make the stay of the medical tourists not only comfortable but also interesting, by offering them relevant information, guidance, and logistic help to enjoy the state's many attractions – be it the panoramic landscape, beaches, hill stations, its historical places of worship, monuments and heritage buildings, the insights into Tamil Nadu's culture offered by dance and music shows and craft exhibitions.

Leather Industry

Tamil Nadu is one of the leading producers of the finest quality leathers in the world

85% women

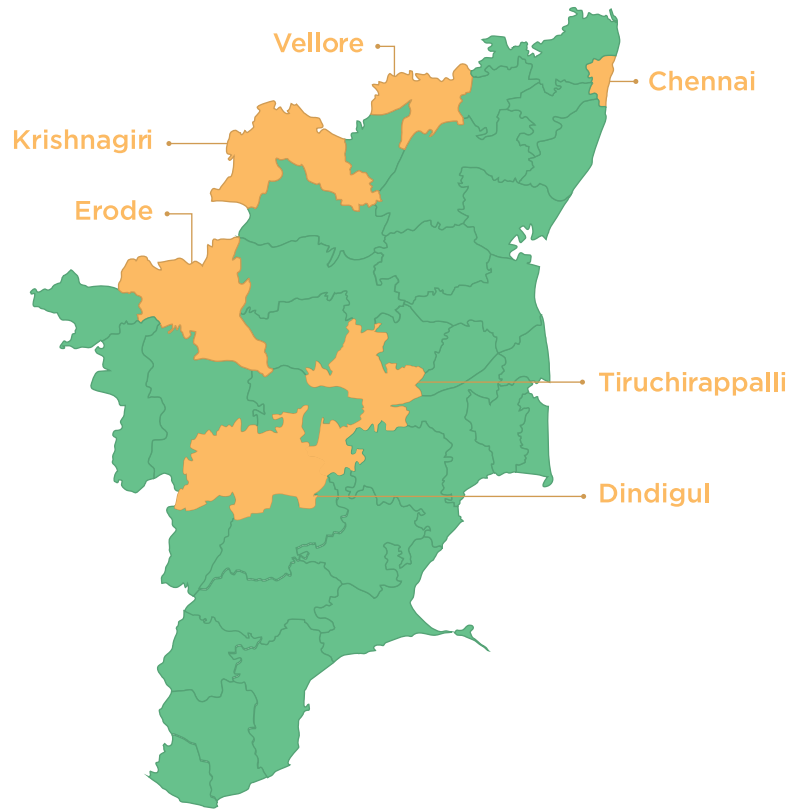
of the 6 lakh employees in the sector

36% export

share of finished leather, leather products, and footwear of the country

INR 10,522 Cr

worth export of leather and products in FY 2019-20, of which ~44% was leather footwear⁴⁹



Leather clusters in Tamil Nadu

Note: Map not to scale, for representation purposes only
Source: Guidance Newsletter, Edition-4, May 2021; Compiled by ANAROCK Research

Prestigious institutions in leather industry ensure skilled manpower



Leather Sector Skill Council



Council for Leather Exports



Central Leather Research Institute



National Institute of Fashion Technology



Footwear Design and Development Institute



Central Footwear Training Institute

Vellore-Krishnagiri

Ranipet, Vellore, Pernampattu, Ambur, & Vaniyambadi are the major leather manufacturing areas of the Vellore-Krishnagiri cluster. Ambur has been notified as a ‘Town of Export Excellence’ under the Foreign Trade Policy 2015-20 due to its significant contribution towards leather exports from India.

Chennai, Erode, Dindigul, & Tiruchirappalli

These cities also contribute significantly to the export of finished leather, leather footwear, leather goods like handbags, wallets, leather garments, leather gloves, shoe uppers, and non-leather footwear among others.

COVID-19 Pandemic: An Impact Assessment

The Indian leather industry accounts for over USD 5 Bn in exports and is the 2nd largest producer of footwear and leather garments in the world, the 2nd largest exporter of leather garments, and the 3rd largest exporter of saddlery and harnesses.

During the 1st wave, the industry has witnessed order cancellations of USD 1 Bn due to the lockdown, out of which Tamil Nadu accounted for 37%. A well-strategized lockdown with appropriate restrictions and relaxations during the 2nd wave assured the continuity of production, thereby reducing the adverse effect faced last year. The Indian footwear sector has the potential to grow up to USD 80 Bn, 8X of its present size, by 2030⁶⁷.



Tamil Nadu has a diversified economic base which kept the state's economy buoyant during the pandemic. The state is one of the major producers and exporters of automobile, auto ancillary, textile, and IT-ITeS goods and services. Revenues contracted in the majority of the

sectors, but the revival was quick on the back of robust infrastructure developments and a conducive business environment. The state has a strategic location that is ideal for export and import.

SWOT

Analysis of Tamil Nadu

Various global events are needed to attract investments and strengthen investors' perception of Tamil Nadu

Strengths



Strong economy – 2nd largest state economy of India in FY'21; accounted for 9.84% of all-India GDP⁵⁰

Robust physical infrastructure – Well-connected to the other parts of the country and the world through multiple modes of transport

Strategic location – Strategically located at the south-eastern coast of India, known as the gateway of India, as it is positioned on the sea route between east Asian countries to European and African countries

Rich talent pool – Home to 18% of India's technical universities⁵¹, home to over 2,400 colleges and over 450 ITIs⁵²

Presence of multi-national companies – Presence of large corporates such as Hyundai, BMW, Yamaha, Cognizant, TCS, Infosys, Citi, Bosch

Diversified economic base – Right mix of agriculture, manufacturing, and services

Weaknesses



Concentration of growth – The majority of the urban population is concentrated in the 3 Metropolitan Cities of Chennai, Madurai, and Coimbatore

Past political instability – In the past, political instability resulted in a lack of ease of doing business

Under utilized infrastructure – Past policies have not been able to leverage the full potential of infrastructure in the state

Ease of doing business ranking – Tamil Nadu ranked at 14th position in the Ease of Doing Business ranking for the year 2019



Opportunities



Rapid urbanization – Tamil Nadu’s urban population grew from 190.77 lakh in 1991 to 349 lakh in 2011 and that could soar further to 534 lakh (67% urban population) in 2031⁵³

Upcoming infrastructure projects – Various planned infrastructure projects may provide confidence to investors

Favourable government policies – Recent amendments in government policies such as industrial, electronics hardware manufacturing, and data centres may provide the necessary impetus to the growth

Evolving real estate market – Real estate market of Tamil Nadu has huge upside potential as Chennai has the presence of multinational corporations and a diverse economic base. Along with that, Chennai has the right mix of infrastructure to provide a robust business environment to the data centre industry

Poised for the growth of data centre industry – The existing information technology ecosystem, submarine cable landing stations, optical fiber cable network, and surplus power to drive the growth of the data centre industry in Chennai

Threats



Natural calamities – Excessive rainfall every year poses a threat of floods

The rapid growth of other nearby states – Telangana, Andhra Pradesh, Karnataka, and Maharashtra are aggressive in attracting investments

- KIA Motors, Isuzu, and Hero opened their plants in Andhra Pradesh
- Pune in Maharashtra is an established destination for the automobile and auto component manufacturers
- Bengaluru and Hyderabad pose as major competition to attract IT-ITeS companies



Real Estate

Chennai Residential Real Estate Overview

A strong recovery with range-bound prices catering to a wide segment of homebuyers

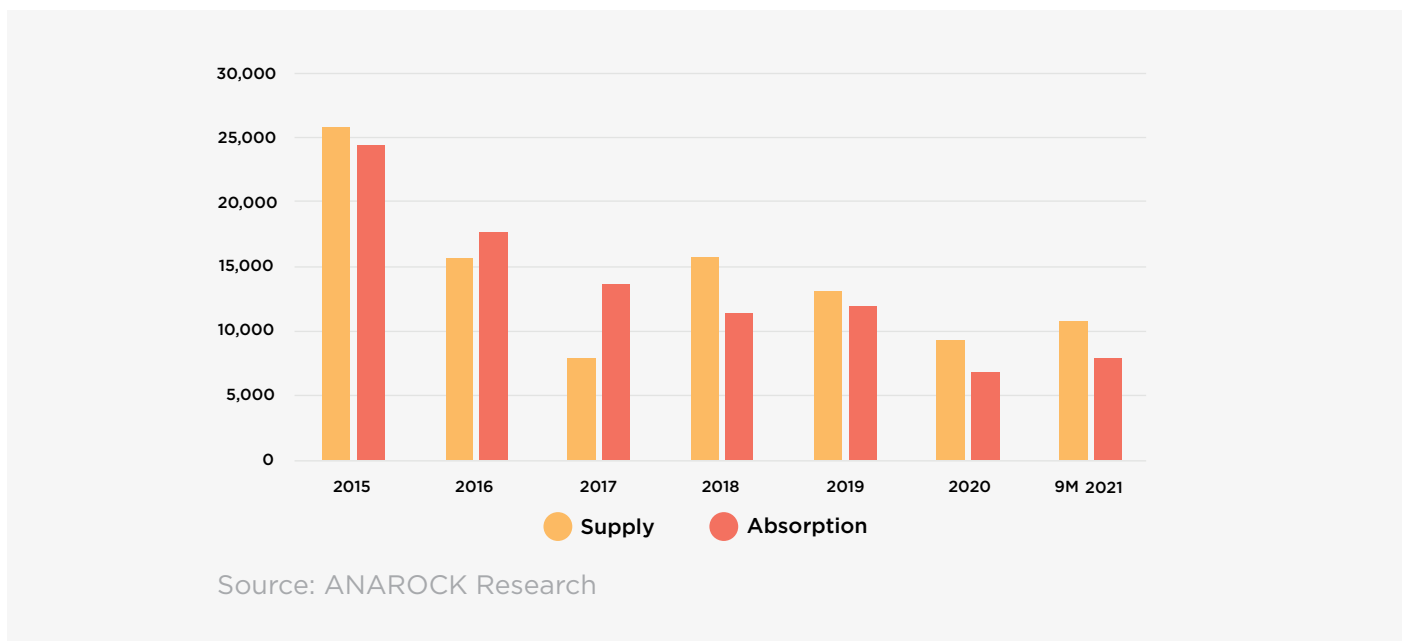


Tamil Nadu is among India’s most urbanised southern states. It has undergone a significant economic and spatial transformation during the past few decades. The majority of the state’s revenues are generated in the urban centres with a maximum contribution from the services and manufacturing sectors. Chennai, the state’s capital city, is well known for the large-scale presence of automobile and IT-ITeS companies. The city’s economic dynamism has attracted working professionals across industries from within and

outside the state.

Post the devastating floods of 2015, the residential real estate developments in the city slowed down. Much of it was attributed to the disruption in the supply chain of construction material, the time taken to restart the sites, and a decline in demand as many livelihoods were impacted. Thereafter, the residential real estate sector in the city has been growing at a steady pace with the developers focussing on the execution and completion of their projects.

Yearly Supply-Demand Dynamics



COVID-19 pandemic again disrupted the real estate developments in Chennai, but the city exhibited resilience by recovering from the aftermath since the second half of 2020. The residential real estate sector fared well even during the lockdown and registered modest growth.

After a watershed second quarter of 2020, the second half of the year recorded a revival. Sales in the third quarter increased more than three times but were 27% short of Q1 2020. Supply and absorption in Q4 2020 exceeded those of the pre-COVID-19 period in Q1 2020 by 7% and 12%, respectively.

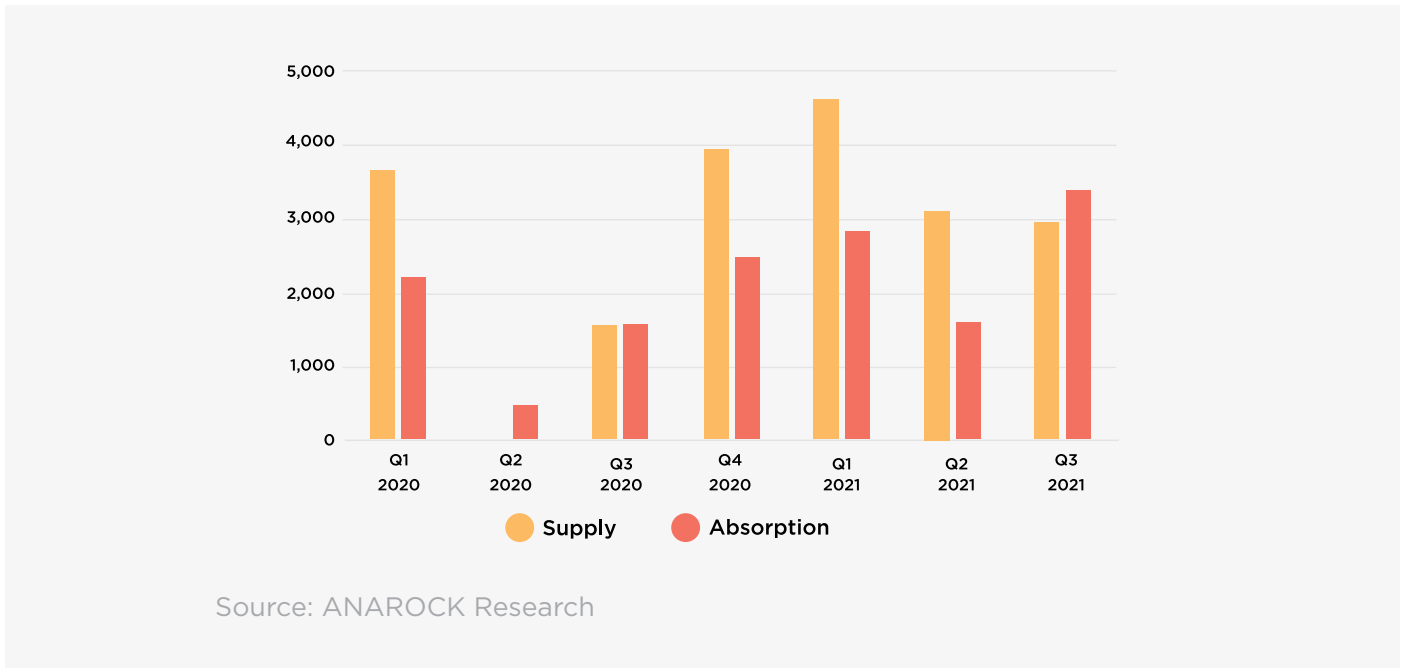
Supply and absorption witnessed an increase of 25% and 30% in Q1 2021 compared to the same period last year. However, the 2nd wave temporarily paused the growth momentum. Despite the lockdowns and restrictions imposed by the city administration, Q2 2021 performed better compared to the same period last year. Further, while absorption increased by 114% in Q3 2021

compared to the previous quarter, supply declined marginally by 4% during the same period stated above.

The learnings of 1st wave came in handy and assured the growth momentum during the devastating 2nd wave. The city reported a supply of approx. 10,700 units during 9M 2021, 95% higher compared to 9M 2020. On the same lines, absorption increased by 73% to nearly 7,850 units during the same period stated above.

This growth was mainly driven by rising sentiments of homeownership amidst the pandemic. The buyers had realised that while the other assets such as equities and gold had witnessed significant devaluation leading to erosion of wealth, real estate

Quarterly Supply-Demand Dynamics



assets remained firm and protected. The demand was further stoked by offers and discounts from developers and the lowest interest rates offering the best affordability in recent times. The large gap between supply and absorption in 2020 has caused the inventory overhang to increase to 61 months. However, it has come down to 43 months as of Q3 2021 due to an increase in absorption.

With the likelihood of the IT-ITeS professionals to continue operating on work from home in a blended way, many buyers are seen contemplating

their housing options in the peripheral areas of the city. Independent houses offer better hygiene and provide for easy social distancing also appears to be the reason for rising demand in areas of East Coast Road (ECR), Grand Southern Trunk (GST) Road, and Tambaram.

Despite the pandemic, the southern and the western peripheral micro-markets continued to dominate the real estate activities in the city. These regions together accounted for 93% of the supply and absorption.



The southern region

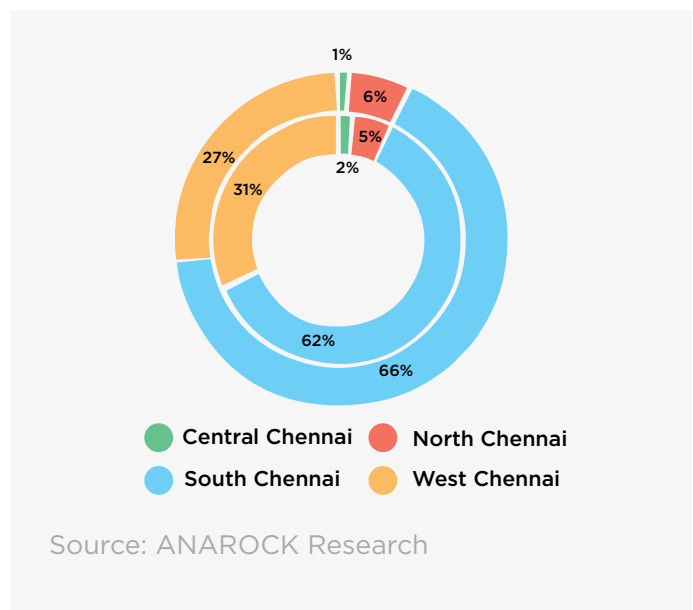
The southern region continued to record the highest activities of launches and sales during the past 3 years. It accounted for nearly 62% of the supply and 66% of the absorption.



The western region

The western region is mainly known for micro markets such as Tambaram and its improving connectivity to the city and other parts of the state through the Grand Southern Trunk Road (GST) has enabled the demand in the region. Nearly 31% of the launches and 27% of the sales since 2019 were recorded in the west micro markets of the city.

Supply and Absorption - Zonal Breakup (2019-9M 2021)



A robust economic environment of the city with high employment across the manufacturing, services, and ports, the demand is primarily for the mid-end (INR 40 lakh to INR 80 Lakh) and the high-end (INR 80 Lakh to INR 1.5 Cr) segments. The need for functional homes that can enable work and schooling from home in times of disruptions has resulted in rising demand for these segments. This is evident from the high volumes of supply in these segments particularly post-pandemic.

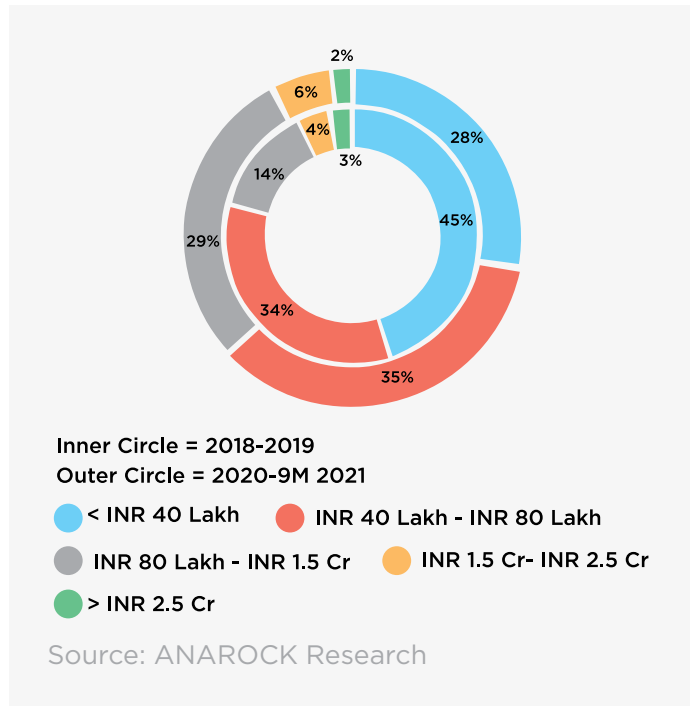
The supply in the affordable segment (less than INR 40 Lakh) has reduced significantly to 28% post-pandemic from 45% during 2018-2019. The buyers across the city are preferring residential assets mainly in the range of INR 40 lakh to INR 1.5 Cr.

A steady supply and absorption recorded over the last few years have resulted in the prices remaining range-bound. The weighted average price in Chennai has always been sub-INR 5,000⁷⁰ per sq ft. This has resulted in continued demand from the buyers and weeded out any speculators from the markets. This is mainly attributed to the low volumes of delayed stock in the city.

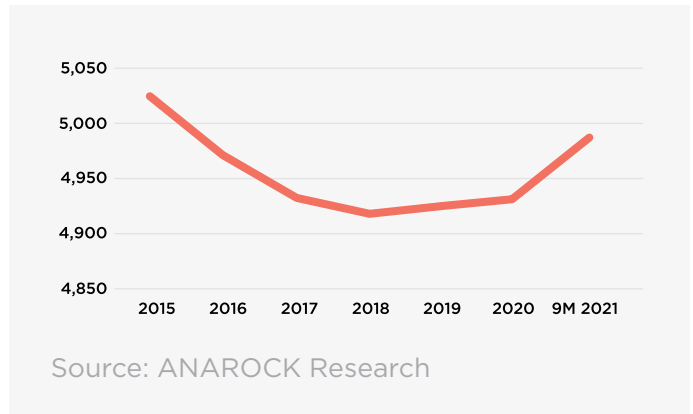
Chennai has the fewest stuck projects among the top seven cities. The developers of the city have been consistently focussing on the execution of their projects and keeping the housing market affordable.

However, property prices in Chennai started to rise during 9M 2021 due to rising input costs.

Budget Segment-wise Supply



BSP on SBUA (INR/Sq ft)



The city has proved its resilience amidst several natural calamities and political disruptions and yet again emerged victorious. The trend of rising sales and launches is expected to continue. The low-interest rate regime and restoration of employment together with the growth prospects of the MSMEs will further

catalyse demand. In the short term, property prices may increase due to rising input costs. It is further anticipated that other formats of residential real estate assets such as villas, plots, and independent houses may gain traction in the peripheral areas of the city.



Outlook

A major emphasis on the rural economy and agriculture across the state are anticipated to create development opportunities for the real estate sector in newer corridors.

Tamil Nadu has made rapid strides in the pursuit of economic development. The state is an Information Technology and Knowledge hub along with a broad-based manufacturing sector and a leapfrogging service sector. It has also been in the vanguard of investing in social infrastructure and solidifying quality economic infrastructure.

The government's focus on industrial development and the many initiatives are likely to be pivotal in generating employment across the state. The development of the allied industries and the geographically diverse regions identified for future development along with the upgrade in infrastructure are well poised to provide momentum to the growth of the sectors.

The services sector will continue to play an important role in the state's economic development. Continued expansion and employment by the IT-ITeS sectors are anticipated to fuel the exports from the state. The other sectors such as leather, apparel and automobiles will continue to increase their contribution to the exports and the state's economy.

The government's stance to create a befitting business environment through fast-track clearances and approvals has the potential to expedite growth and development. These in turn will favourably impact the per capita earnings which will enable consumption and facilitate demand for lifestyle and aspirational products and services.

Data centres, logistics and warehousing are already gaining prominence and are expected to be the demand drivers of the future. Chennai's strategic location and the presence of major manufacturing hubs across the state brighten the prospects for the expansion of these sunrise sectors.

Industrial developments have been gaining prominence and this is likely to have a ripple effect on the other asset classes. The residential segment in Chennai is seen to be growing and soon the other cities are expected to follow suit.

Tamil Nadu with its resilience and commitment to recover due to thriving public and private sector enterprises, has the necessary ingredients for a brighter future. The government's focus to ensure fiscal stability and economic rights for its citizens will pave the path for the future.





Appendices

- ¹ Industries Department, Policy Note 2021-22
- ² Industries Department, Policy Note 2021-22
- ³ Industries Department, Policy Note 2021-22
- ⁴ DIPP
- ⁵ Hindustan Times, July 2021
- ⁶ Guidance, Government of Tamil Nadu
- ⁷ investindia.gov.in
- ⁸ Global Investors Meet, 2019
- ⁹ Industries Department, Policy Note 2021-22
- ¹⁰ Tamil Nadu Industrial Development Corporation
- ¹¹ Industries Department, Policy Note 2021-22
- ¹² Tamil Nadu Industrial Development Corporation
- ¹³ Industries Department, Policy Note 2021-22; Data for FY'18
- ¹⁴ Government of Tamil Nadu
- ¹⁵ In FY'18
- ¹⁶ In FY'18
- ¹⁷ investindia.gov.in
- ¹⁸ Budget highlights FY'21
- ¹⁹ State Tourism Department's Policy Note, 2019-20
- ²⁰ Census 2011
- ²¹ investindia.gov.in
- ²² Global Investors Meet, 2019
- ²³ Budget highlights FY'21
- ²⁴ Industries Department, Policy Note 2021-22
- ²⁵ Industries Department, Policy Note 2021-22
- ²⁶ Government of India (GoI), December 2019
- ²⁷ Public Affairs Centre
- ²⁸ SDG India Index 2020-21
- ²⁹ The India Skills Report 2020
- ³⁰ Industries Department, Policy Note 2021-22
- ³¹ NITI Aayog
- ³² NITI Aayog's Export Preparedness Index 2020
- ³³ Ministry of Housing and Urban Affairs
- ³⁴ The New Indian Express, November 2020
- ³⁵ The Ministry of Human Resource Development, GoI
- ³⁶ Indian Railways Year Book, 2019-20
- ³⁷ Indian Ports Association
- ³⁸ pib.gov.in
- ³⁹ Airports Authority of India
- ⁴⁰ CAPA - Centre for Aviation
- ⁴¹ Highways and Minor Ports Department, Policy Note 2020-21
- ⁴² tnhighways.tn.gov.in
- ⁴³ Tamil Nadu Industrial Policy 2021
- ⁴⁴ Chennai Metro Rail
- ⁴⁵ Industries Department, Policy Note 2021-22; data for 2017-18
- ⁴⁶ Guidance Tamil Nadu, May 2021
- ⁴⁷ Electronics System Development and Maintenance
- ⁴⁸ FY'18
- ⁴⁹ CLE Membership records
- ⁵⁰ Industries Department, Policy Note 2021-22
- ⁵¹ Global Investors Meet, 2019
- ⁵² Industries Department, Policy Note 2021-22
- ⁵³ Housing and Urban Department, Policy Note 2021-22
- ⁵⁴ Industry Estimates
- ⁵⁵ Industry Estimates
- ⁵⁶ Industry Estimates
- ⁵⁷ Government of Tamil Nadu
- ⁵⁸ Media Article
- ⁵⁹ Media Article
- ⁶⁰ IBEF
- ⁶¹ Industry Sources
- ⁶² Confederation of Indian Textile Industry (CITI)
- ⁶³ MOSPI
- ⁶⁴ World Bank
- ⁶⁵ Niti Aayog
- ⁶⁶ IBEF
- ⁶⁷ investindia.gov.in
- ⁶⁸ Times of India, July 2021
- ⁶⁹ SIAM
- ⁷⁰ Price is quoted on SBUA



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