

The Food Industry's Oyster

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As I was standing at the end of my driveway, contemplating the mountain of snow that had just arrived to help us celebrate the start of March, I thought, "why isn't my office next door to my house?"

Turns out, a few thousand people in southern India may be afforded this convenience.

Due to a growing demand for western-style, conveniently packaged meal items in India, state and central governments are making a strong push for new food processing initiatives.

A project initiated by CCCL, a Chennai, India, construction company, may help India to become more competitive in the global food processing market. The company purchased over 300 acres in the port city of Tuticorin, India, and plans to build what is being dubbed "Pearl City Food Port" – a compound which will include a wide range of facilities encompassing cold storage, warehousing, irradiation complex, food testing laboratory and logistics planning, as well as a wide variety of food processing plants.

The finished site, which will be a Food Processing Special Economic Zone (SEZ), will contain over 20 food manufacturing plants, a housing development, a retail complex, a hospital, a school, and even an 18-hole golf course.

As a journalist, I can't help but be thrilled by the prospect of essentially being able to trick-or-treat from plant tour to plant tour. However, there seems to be mixed feelings about the efficacy of SEZ's.

The basic idea behind SEZ's is to enhance industry competitiveness and attract foreign investments and this is furthered by giving certain incentives (duty-free importing, for example) to businesses which physically locate within the zone.

However, not all SEZ's are successful, and they are often criticized for problems such as poor workplace and safety conditions, lax environmental controls and an overall lack of progress.

Yet, while most economic zone enterprises are engaged in labor-intensive activities such as apparel, textiles, or electronics, Pearl City will be somewhat unique in that it is specific to the food industry. In addition, planners are promising to incorporate energy efficient designs and construction practices, which could include a combination of geo-thermal, solar, and wind generated energy sources to serve all processing and non-processing facilities on the site.

It would seem to me that if successfully executed, the project would not only afford U.S. companies the opportunity to expand their reach to India (as well as booster foreign interest in American foods) but would also bring jobs and opportunity to the city of Tuticorin. In addition, the city sets the stage for creating a self-sustaining community, where the activities of one plant could directly benefit the plant next door – and where employees are intimately invested in the

success of their companies because of the closeness of the community.

Considering the current global economic climate, such a large-scale investment into the food industry can be seen as both risky and inspiring. However, finding a niche and filling a market demand, even on a much smaller scale than building an entire manufacturing city, may just reveal pearls amid tough economic oysters.

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