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**THE TIMES OF INDIA**

# Fuelling Tamil Nadu's growth through MSMEs

TNN | Jun 27, 2023, 12.20 PM IST

*By: René Van Berkel*

CHENNAI: Tamil Nadu, a leading industrial state, is home to about 50 lakh MSMEs and has the largest number of factories in India. The state's goal of becoming a \$1 trillion economy by 2030 would rely largely on MSMEs' ability to adopt practices that make them competitive, sustainable and inclusive.

The United Nations Industrial Development Organization (UNIDO) works with the government and the business sector to uplift MSME performance in TN through technical support on manufacturing excellence, appropriate technologies for energy and resource efficiency and cleantech innovation, focusing on

customization to local conditions.

UNIDO facilitates manufacturing excellence, for example, in the auto-components sector, focusing on resource efficiency, lean manufacturing and effective management and monitoring of production systems. 39 MSMEs in five cluster groups have been supported in achieving annual cost savings of ₹1.63 crore, leading to a 64% reduction in internal defects and improved workplace safety performance.

UNIDO also worked with 12 dairy units in implementing 24 energy efficiency upgrades, such as energy efficient boilers or condensate recovery, with an investment of ₹7.57 crore, saving 289 tonnes of oil equivalent annually, mitigating 1,175 tonnes of greenhouse gas (GHG) emissions and reducing energy costs by ₹1.45 crore. Around 130 foundries in Coimbatore were supported to implement 253 measures, such as replacement of cupola with induction furnaces, with a cumulative investment of ₹30.6 crore, resulting in savings of about 1,600 tonnes of oil equivalent, reduced GHG emissions by around 15,500 tonnes and annual cost savings of ₹23.8 crore.

UNIDO has customized and demonstrated technologies for the Indian paper sector. LHT technology was demonstrated at TNPL, resulting in increased steam generation by 0.35/tonne of black liquor solids, microbial activity by 99.9%, eliminating odour from factory premises. LSU drying technology was customized and demonstrated at Sri Sarvana Modern Rice Mill, with a payback of 1.8 years resulting from 65% power savings and 20% fuel savings. Demonstrations are seen to result in fervent replication in other firms.

Through its Facility for Low (FLCTD), UNIDO supports cleantech innovation, through deployment and validation support to eight TN-based innovators and demonstration of 12 innovations in the state. For instance, New Leaf Dynamic showcased its solution that uses farm waste for cooling in banana ripening at the Thottiyam Banana Producers Group. Tan90 smart cooling box, using advanced phase change materials, was validated at SNP Dairy and with the TN horticulture department.

Supporting MSMEs to fuel TN's, and India's, growth story is critical. Continued collaborative and strategic efforts towards facilitating MSMEs' access to and adoption of appropriate technology, manufacturing excellence and digital solutions is TN's path to double digit growth.

*(The author is UNIDO Representative and head of the UNIDO Regional Office in India.)*