

Date-28.03.2010

**SPEECH OF HON'BLE DEPUTY CHIEF MINISTER OF TAMIL NADU
Dr. M.K. STALIN AT Inaugural function of Sanmina-SCI Oragadam :-**

- **Thiru T.M.Anbarasan, Hon'ble Minister for Labour, Govt of Tamil Nadu,**
- **His Excellency Thiru Andrew T.Simkin, Consul General, USA**
- **Thiru. Jure Sola, Chairman & CEO, Sanmina-SCI**
- **Thiru. Hari Pillai, President & COO, Sanmina-SCI**
- **Thiru. Rajeev Ranjan IAS, Principal Secretary – Industries**
- **Thiru. Kumaran Subramanian, Managing Director, Sanmina-SCI, India**

Ladies and Gentlemen,

I have immense pleasure, in inaugurating, the Chennai facility of Sanmina-SCI, a Fortune 500 Company. Sanmina – SCI is the 4th largest, electronics manufacturing services company, in the world. We are indeed very happy, to have Sanmina facility, in our state. I congratulate, and thank Sanmina, for choosing Chennai.

Sanmina signed a MoU, with the State Government on 19.6.2007, for establishing an Electronic Hardware project, with an investment of, 225 crore rupees. I recall that I had visited, this place on 03.07.2009, when you were at the beginning of, setting up of, this unit. Today, at the time of this inauguration,

the actual investment has exceeded, 250 crore rupees, providing employment to, 1400 persons directly, and another 300 indirectly.

I am happy to know, that more than 80 percent employed here, belong to neighbourhood villages. I am also glad that, this head count in Chennai facility, will cross 10 thousand, within next 5 years.

The market size of, Global Electronic hardware industry is, estimated, at 1.75 trillion US dollars. It is the largest, and fastest growing, manufacturing industry in the world. With electronics becoming all pervasive, the global and, Indian consumption of, electric hardware, is expected to grow significantly. As far as, India is concerned, there is a huge gap, between demand and supply, for electronic hardware which will widen further, providing massive opportunity in electronic hardware manufacturing.

According to the, *“Report of the Task Force, to suggest measures, to stimulate the growth of IT, ITES, and Electronics hardware manufacturing in India”*, in terms of opportunities, the electronics industry can, significantly boost India’s GDP, generate employment, modernise processes, and enable country’s inclusive growth. Also, the electronics industry can, increase employment in the country, significantly, since electronic system manufacturing is, human capital-intensive. I understand that, the Direct to Indirect, Employment Multiplier Ratio is, about 6.3. It is for this reason, that, electronic hardware projects, need to be attracted, to our state.

I am proud to say, that out of the five, top global EMS producers, three, namely Foxconn, Flextronics and Sanmina, have chosen Chennai, to locate their facilities, in India. Apart from Sanmina, some of the, other major Electronic Hardware projects, attracted by our Government, includes, Motorola,

DELL, Samsung, Tessolve Semi-conductor, Videocon, Nokia-Siemens, Signet-Solar, and Moser-Baer. Total investment, attracted in these, nine major electronic hardware projects is, about 8 thousand crore rupees, with an employment potential, for over 45000 persons, directly and indirectly.

Apart from these, the first plant of Nokia, which became operational in 2006, has expanded twice, in the last 3 years, making the Chennai facility of Nokia, as the World's largest facility, for mobile handsets manufacturing. Studies done by Nokia, and a few other companies, have proved that, Chennai is more cost-effective and competitive, than even China.

Last week, I had a detailed discussion with, Thiru. Baril, Senior Vice President of Nokia, and, I have requested Nokia, to expand their operations substantially, and also to bring their suppliers, to Chennai.

I am happy to say that, Nokia is extremely happy, with their operations in Chennai. Tamil Nadu, today, has emerged as the, most attractive investment destination. Oxford Analytica, an international, independent consulting firm, recently conducted a study called, "India Deconstructed". The study came to the conclusion, that, *Tamil Nadu is the most attractive State, for foreign firms seeking to invest in India*, due to its better quality infrastructure, and governance. This study analysed 28 States, and 2 Union Territories, in India, and, ranked Tamil Nadu as the best.

While Chennai has, now become, a major manufacturing hub, for Electronic Hardware, as a country, we are still, heavily dependent, on import of electronic components. I understand, that this import content is, as high as, 75 percent to 85 percent. This highlights, the enormous potential for local

manufacturing, to substitute imports. In contrast, in automobile projects, this local content, is as high as, 80 percent to 85 percent due to the establishment of, a large number of auto component manufacturers.

In the same way, our Government is keen, to trigger a similar growth of, electronic component manufacturing projects, in Tamil Nadu. I would like to take this occasion, to invite, electronic component manufacturers, to invest in Tamil Nadu. Also, I take this opportunity, particularly, to request Sanmina, to establish a Printed Circuit Board manufacturing facility, in Tamil Nadu. Our Government will extend, its full support and cooperation for this.

Tamil Nadu, especially, Chennai has excelled, in Information Technology. Notwithstanding the global recession, the IT exports from our State, increased from 28 thousand 4 hundred and 26 crore rupees, in 2007-08 to, 36 thousand 6 hundred and 80 crore rupees in 2008-09, recording a 29 percent growth rate, which is higher than any other state in our country.

I believe, that Electronic hardware manufacturing, has similar potential, to make our country, a Global powerhouse. Under the leadership and guidance of our Hon'ble Chief Minister Kalaingar, Tamil Nadu is keen, to carve for itself, a pride of place in this.

I am happy, to inaugurate this project of Sanmina. On this occasion, our Government assures, our continued support and cooperation, to Sanmina project. I wish Sanmina, a grand success.

Thank you, Nandri ! Vanakkam !