



ADB Loan for Chennai - Kanyakumari Industrial Corridor

Why in News

Recently, the [Asian Development Bank \(ADB\)](#) and the Government of India signed a **USD 484 million loan** for the **Tamil Nadu Industrial Connectivity Project**.

- The loan is to **improve transport connectivity and facilitate industrial development in the Chennai - Kanyakumari Industrial Corridor (CKIC)** in the state of **Tamil Nadu**.

Asian Development Bank

- It is a **regional development bank established on 19th December 1966**. It is **headquartered in Manila, Philippines**.
- It now has **68 members, 49 from within Asia**. **India** is a member.
- It's **five largest shareholders** are **Japan** and the **United States** (each with 15.6% of total shares), the People's Republic of **China** (6.4%), **India** (6.3%), and **Australia** (5.8%).
- It **aims to promote social and economic development in Asia and the Pacific**.

Key Points

▪ About:

- The loan is **in line with Strategy 2030, ADB's long-term corporate strategy**, the project **emphasises sustainability, climate change resilience, and road safety elements**.
 - Under **Strategy 2030**, ADB will expand its vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty.
- CKIC is part of India's [East Coast Economic Corridor \(ECEC\)](#).

▪ Industrial Corridors Scheme:

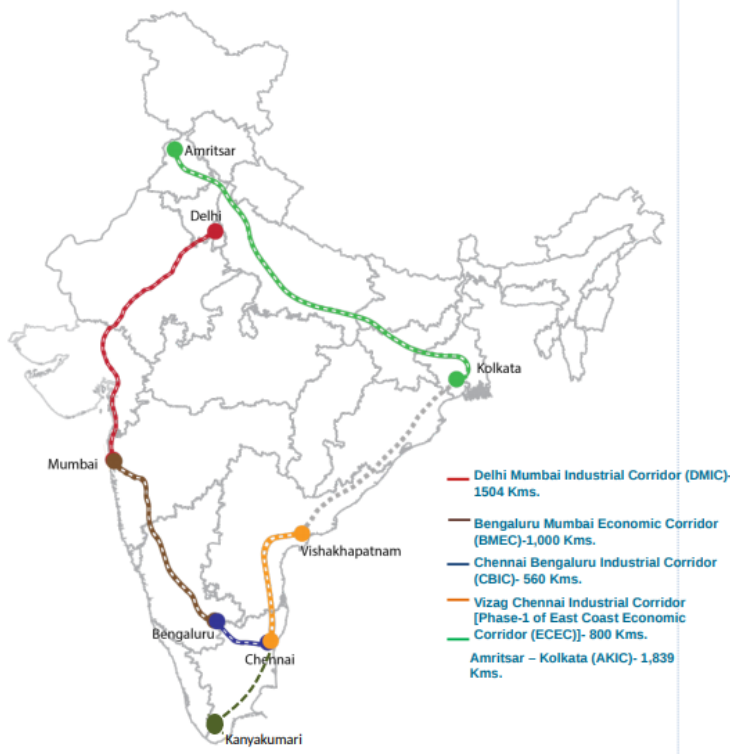
- An [industrial corridor](#) is an economic ecosystem built around a transportation corridor connecting two major economic centres, where the transportation corridor serves as the nerve centre of the economic activity across the corridor.
 - In addition to the transportation corridor, a well-designed industrial corridor **contains** clusters of industrial production serving regional and global demand, and urban centers proliferating equitable development.
- In **2019**, the government approved the **development of the five industrial corridor projects**, being **implemented through National Industrial Corridor Development and Implementation Trust (NICDIT)**.
 - NICDIT is an apex body under the administrative control of the [Department for](#)

Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry.

◦ **Five Industrial Corridor Projects:**

- [Delhi Mumbai Industrial Corridor \(DMIC\)](#).
- Amritsar Kolkata Industrial Corridor (AKIC).
- Chennai Bangalore Industrial Corridor (CBIC).
- East Coast Economic Corridor (ECEC) with Vizag Chennai Industrial Corridor (VCIC).
- Bangalore Mumbai Industrial Corridor (BMIC).

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▪ **East Coast Economic Corridor:**

- It stretches from **West Bengal to Tamil Nadu** and connects India to the production networks of South, Southeast, and East Asia.
 - ADB is the lead partner of the Government of India in developing ECEC.
- It covers West Bengal, Odisha, Andhra Pradesh and Tamil Nadu. **Vizag to Chennai segment of this Corridor has been taken as phase-1.**
 - **Vizag-Chennai Industrial Corridor (VCIC) is the first coastal economic corridor** in the country.
- **It is aligned with the Golden Quadrilateral.** It also plays a critical role in the **“Act East Policy”** of India.
 - The Golden Quadrilateral is the **longest road project in India** and the fifth-longest highway in the world. It connects Delhi, Mumbai, Kolkata and Chennai.

▪ **Significance of Industrial Corridors:**

◦ **Avenues for Exports:**

- The Industrial Corridors are likely to **lower the cost of logistics thereby increasing the efficiency of industrial production structure.**
- Such an efficiency lowers the cost of production which **makes the Indian made products more competitive in international markets.**

- **Job Opportunities:**

- It will **attract investments for the development of Industries which is likely to create more jobs in the market.**

- **Environmental Significance:**

- The establishment of Industrial Units in a scattered manner along the industrial corridor across the length of the state will **prevent concentration of industries in one particular location** which exploited the environment beyond its carrying capacity and caused environmental degradation.

- **Socio-Economic Significance:**

- The cascading effect of industrial corridors in socio-economic terms are many such as the **setting up of industrial townships, educational institutions, hospitals.** These will further raise the standards of human development.

Source: PIB

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