

ANDHRA PRADESH

THE RICE GRANARY OF INDIA

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EXECUTIVE SUMMARY

Largest exporter of marine products

- During 2014-15, Andhra Pradesh accounted for a share of about 22 per cent of the overall exports of seafood products from India, in value terms. In 2014-15, seafood exports from the state stood at US\$ 1,251.83 million, and they are projected to increase to US\$ 1,465.20 million by 2015-16.

Growth in Pharmaceutical Industry

- Various pharmaceutical companies have set up their manufacturing hubs in Visakhapatnam and Srikakulam districts. The state provides ample growth opportunities due to availability of ports, pharma city, large parcels of land for expansion etc.
- Andhra Pradesh accounted for 30 per cent of India's total pharmaceutical exports in 2014-15, securing the second position after Maharashtra.

National Investment and Manufacturing Zones (NIMZ)

- As of March 2015, the Government of India has approved the construction of a National Investment and Manufacturing Zones (NIMZ) in Chittoor district. The national investment and manufacturing zone would be based in an area ranging between 5,000-6,000 hectares and would comprise state of art infrastructure. Construction of this NIMZ is expected to be completed by 2017.

Tourist destinations

- In 2014-15, domestic tourist arrivals stood at 93.30 million and foreign tourist arrivals stood at 0.066 million. Under the 2015-16 budget, the state Government of Andhra Pradesh announced plans to invest US\$ 54 million for the development of tourism and promote the state's rich culture.

Source: The Marine Products Export Development Authority (MPEDA), Ministry of Tourism, Government of India, State Budget 2015-16, AP State Portal, News Article



MISSION & VISION 2029

- * In August 2014, the Government of Andhra Pradesh announced seven missions which need to be accomplished in the coming years. According to the budget document of the Government of Andhra Pradesh, the purpose behind this mission is to provide the basic social & economic infrastructure, create human and institutional capacity and focus on the growth areas in identified sectors for increased resource use efficiency.
- * The seven missions announced by the state are Primary Sector Mission, Social Empowerment Mission, Knowledge and Skill Development Mission, Urban Development Mission, Industry Sector Mission, Infrastructure Mission and Service Sector Mission. For the successful completion of these missions, the Government of Andhra Pradesh has introduced five campaigns i.e. Pedarikam Pai Gelupu, Polam Pilustondi, Badi Pilustondi, NeeruChettu and Swacha Andhra.
- * In Budget 2015-16, the Government of Andhra Pradesh announced plans to connect each household in the state with five grids, i.e. Water Grid, Road Grid, Power Grid, Natural Gas Grid and Fiber Optic Grid.
- * According to Budget 2015-16 of the Government of Andhra Pradesh, the objective of Vision 2029 is to eliminate poverty, reduce economic and social inequalities, leading to the formation of a healthy and happy society. In terms of industrial development, the state Government is targeting to secure one of the top three positions in India by 2022 and secure number one position by 2029. The state Government is also targeting to reflect Andhra Pradesh as the world's best investment destination by 2050.
- * Strategic initiatives (laid out by the Andhra Pradesh State Government)
 - * Establishment of a consortium network at state level for clusters (across the hubs proposed) with common activity, common actors, etc. with common need/objective to enable a common knowledge sharing platform
 - * Creation of common facility centres at all cluster locations in Andhra Pradesh
 - * Establishment of State level Board for monitoring the quality certification of manufactured products
 - * Develop a strategy for rating clusters for performance management

Source: Vision 2029, Government of Andhra Pradesh State Budget 2015-16

REORGANISATION ACT, 2014 ... (1/2)

- * Andhra Pradesh Reorganisation Act, 2014 or the Telangana Act is a parliamentary declaration of the bifurcation of Andhra Pradesh state into two states, Telangana and residuary Andhra Pradesh (Seemandhra). The act consisted of the aspects of division of assets and liabilities, the boundaries of the proposed new states and status of the capital city Hyderabad after the separation of the state. As per the Ministry of Law and Justice, this act may be called the Andhra Pradesh Reorganisation (Amendment) Act, 2015. After the amendment of this act, number size of members will increase to 58 from 50.

Common capital and Governor

- Greater Hyderabad Municipal Corporation area of Hyderabad would be the common capital for the states for a period not more than 10 years. However, the new capital city would be Amaravati. Both states to have a common Governor.

Police forces

- Central Government to provide assistance to raise additional forces.
- New training centre for Seemandhra would be established.

High Court

- High Court at Hyderabad would be a common High Court till a separate High Court is established for Seemandhra.
- The expenditure is to be allocated on the basis of population ratio.

Special development package

- Central Government to make appropriate grants, provide adequate benefits and incentives in the form of a special development package for Seemandhra.
- This will ensure expansion of physical and social infrastructure.

REORGANISATION ACT, 2014 ... (2/2)

Services of employees

- For central Government employees, an advisory committee would be appointed to draw up guidelines and take up the allocation exercise.
- For state Government employees, district, zonal and multi-zonal cadres falling in one of the successor states are deemed to be allotted to that state; else employees would be allocated based on options.

Water resources

- Two separate boards would be created by the central Government for Krishna and Godavari Rivers to look after administration, regulation, maintenance and operation of notified projects.

Energy

- Existing PPAs would continue; units of APGENCO and assets of APTRANSCO would be divided based on location.
- Central power would be allotted on actual energy consumption trend.

Higher education

- The Government of India shall take steps to establish institutions of national importance in the newly formed state.
- The Government of India shall establish one AIIMS-type super-specialty hospital-cum-teaching institution.
- Admissions in higher, technical and medical education would be common for ten years.
- Quotas under article 371-D would also continue.

New capital

- Central Government to provide financial support for creation of a new capital.
- An expert committee to be constituted by the central Government to study various alternatives and make a recommendation within six months. However, the new capital city would be Amaravati.

ADVANTAGE: ANDHRA PRADESH

November
2015

Installed power
capacity: 13,688
MW

High economic growth

- GSDP expanded at a compound annual growth rate (CAGR) of 11 per cent between 2004-05 and 2014-15 to US\$ 85.8 billion.
- GSDP of the industrial sector increased from US\$ 6.5 billion during 2004-05 to US\$ 17.7 billion during 2014-15. Construction, mining and power are recognized as the fastest growing sectors in the state.

Long coastline

- A 974-km long coastline provides numerous opportunities for the state to develop a number of ports.
- The Visakhapatnam port ranks fifth in terms of port traffic. During April 2014 - October 2015, the port handled 90.97 million tonnes of cargo.
- In August 2015, the Government of Andhra Pradesh made an announcement to set up 10 new ports in the state.

2020E

Installed
power
capacity:
~20,000
MW

Advantage
Andhra
Pradesh

Adequate power generation capacity

- Most of the coal-based power plants are located in the coastal regions due to their connectivity to the ports.
- In 2014-15, the Government of Andhra Pradesh sanctioned US\$ 528.86 million to facilitate free power to the farmers in the state.
- During 2015-16, the state Government announced plans to develop solar power parks of 2,500 MW capacity in Ananthapuram, Kurnool & Kadapa Districts.

Growth in Export

- Exports from the state increased from US\$ 14.24 billion in 2007-08 to US\$ 16.12 billion in 2014-15.
- Andhra Pradesh primarily exports drugs, pharmaceuticals and allied chemicals and plastics, agriculture and agro based products, engineering products, mineral products, handicrafts and carpets, textiles, leather, animal and marine products.

Source: Andhra Pradesh State Portal, Central Electricity Authority, Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office, Andhra Pradesh State Portal, Indian Port Association, GSDP: Gross State Domestic Product



ANDHRA PRADESH FACT FILE



- * Andhra Pradesh is located in the southern peninsula of India and has a coast line of 974 km.
- * The state of Andhra Pradesh is bound by Chhattisgarh on the north, Odisha on the northeast, Telangana and Karnataka on the west, Tamil Nadu on the south, and the Bay of Bengal on the east.
- * Visakhapatnam, Vijayawada, Tirupati, Rajahmundry, Guntur, Kakinada, Ongole, Nellore and Kurnool are some of the key cities in the state.

- * Most commonly spoken language is Telugu. Urdu, Hindi, Tamil, Kannada and Oriya are the other languages used.

Parameters	Andhra Pradesh
Capital	Hyderabad ¹
Geographical area (sq km)	160,205
Administrative districts (No)	13
Population density (persons per sq km)	308
Total population (million)	49.5
Male population (million)	24.7
Female population (million)	24.7
Sex ratio (females per 1,000 males)	997
Literacy rate (%)	67.4

Source: Andhra Pradesh State Portal
¹For ten years

ANDHRA PRADESH IN FIGURES ... (1/2)

Parameter	Andhra Pradesh	All states	Source
Economy	2014-15	2014-15	
GSDP as a percentage of all states' GSDP	4.2	100.0	Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
GSDP growth rate (%)	11.42	7.3	Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
Per capita GSDP (US\$)	1,824	1,389.61	Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
Physical Infrastructure			
Installed power capacity (MW)	13,688	282,023.39	Central Electricity Authority, as of November 2015
Wireless subscribers (No)	73,966,6301	1,003,487,792	Telecom Regulatory Authority of India, as of October 2015
Internet subscribers (No)	23,400,0001	319,420,000	Telecom Regulatory Authority of India, as of June 2015
National Highway length (km)	4,423	96,214	Andhra Pradesh Roads and Building Department
Major and minor ports (No)	1+12	13+187	India Ports Association 2015
Airports (No)	8	125	Airports Authority of India

ANDHRA PRADESH IN FIGURES ... (2/2)

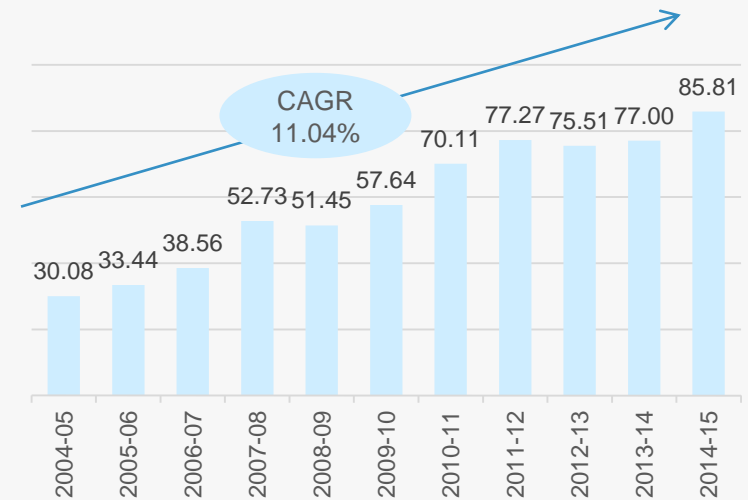
Parameter	Andhra Pradesh	All states	Source
Social Indicators			
Literacy rate (%)	67.4	73.0	Census 2011
Birth rate (per 1,000 population)	17.5	21.6	SRS Bulletin
Investment			
FDI equity inflows (US\$ billion)	10.56	265.14	Department of Industrial Policy & Promotion, April 2000 to September 2015
Industrial Infrastructure			
PPP projects completed & operational (No)	39	1,382	Department of Economic Affairs, Ministry of Finance, Government of India
Operational SEZs (No)	19	199	Department of Commerce, Ministry of Commerce & Industry

^Andhra Pradesh (Including Telangana), PPP: Public-Private Partnership, SEZ: Special Economic Zone, SRS: Sample Registration System

ECONOMIC SNAPSHOT – GSDP

- * At current prices, Andhra Pradesh's gross state domestic product (GSDP) was US\$ 85.81 billion over 2014-15.
- * Between 2004-05 and 2014-15, the average annual GSDP growth rate was 11.04 per cent.
- * GSDP of the agriculture sector in Andhra Pradesh stood at US\$ 9.0 billion in 2004-05 which increased to US\$ 23.67 billion in 2014-15. Strong growth in forestry and fishery sectors is catalyzing the growth of agriculture sector in the state.
- * GSDP of the industrial sector increased from US\$ 6.5 billion in 2004-05 to US\$ 17.7 billion in 2014-15. Construction, mining and power sectors are recognized as the fastest growing sectors in the state.

GSDP of Andhra Pradesh at current prices
(in US\$ billion)

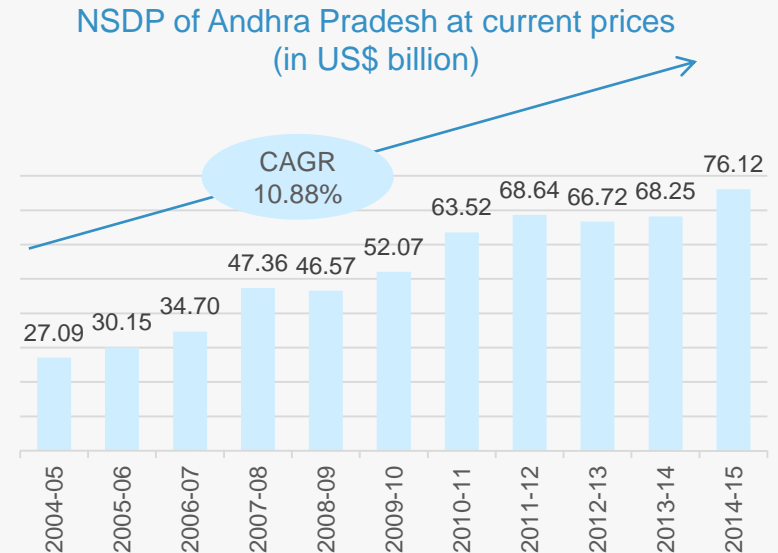


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office



ECONOMIC SNAPSHOT – NSDP

- * At current prices, Andhra Pradesh's net state domestic product (NSDP) was estimated at US\$ 76.12 billion over 2014-15.
- * Between 2004-05 and 2014-15, the average annual NSDP growth rate was about 10.88 per cent.

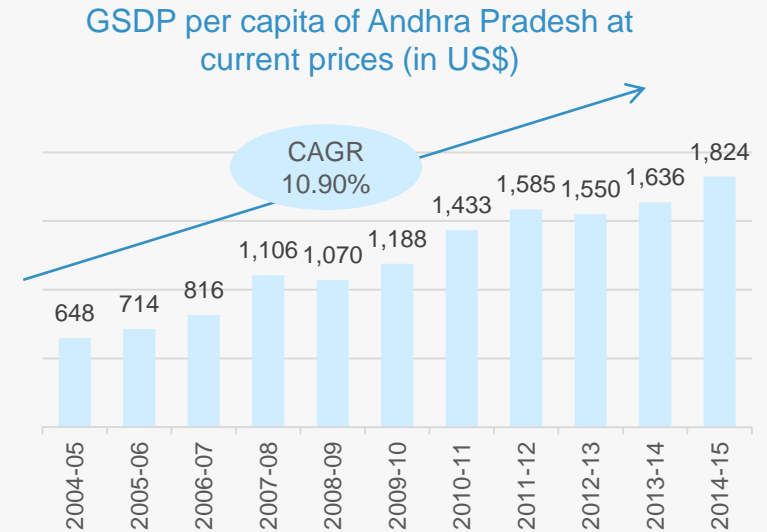


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office



ECONOMIC SNAPSHOT – PER CAPITA GSDP

- * Andhra Pradesh's per capita GSDP increased to US\$ 1,824 during 2014-15 from US\$ 647.7 over 2004-05.
- * Average per capita GSDP rose at a CAGR of 10.9 per cent between 2004-05 and 2014-15.

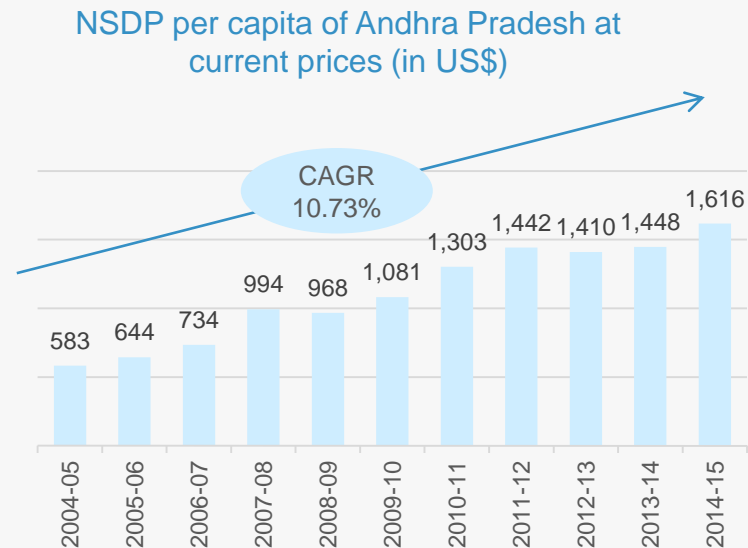


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office



ECONOMIC SNAPSHOT – PER CAPITA NSDP

- * Andhra Pradesh's per capita NSDP grew from US\$ 583.4 during 2004-05 to US\$ 1,616 over 2014-15.
- * Average per capita NSDP increased at a CAGR of 10.73 per cent between 2004-05 and 2014-15.

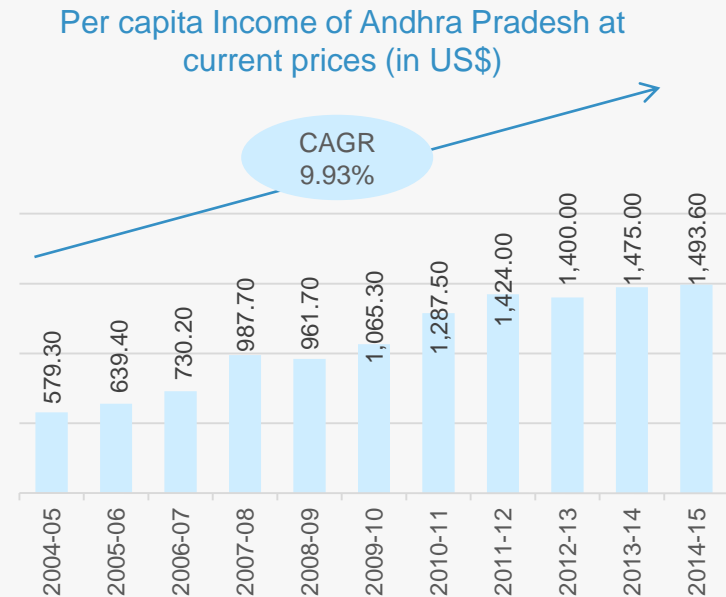


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office



ECONOMIC SNAPSHOT – PER CAPITA INCOME

- * Andhra Pradesh's per capita income grew from US\$ 579.30 during 2004-05 to US\$ 1,493.60 over 2014-15.
- * Average per capita income increased at a CAGR of 9.93 per cent between 2004-05 and 2014-15.

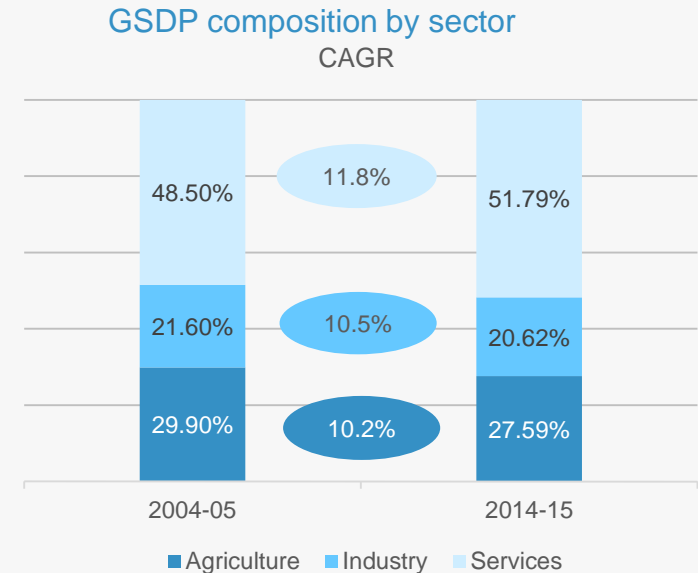


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office



ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSDP

- * During 2014-15, the services sector accounted for 51.79 per cent, followed by agriculture (27.59 per cent) and industry (20.62 per cent).
- * The services sector grew the fastest at a CAGR of 11.8 per cent in 2014-15, followed by industry (CAGR of 10.5 per cent) and agriculture (CAGR of 10.2 per cent) between 2004-05 and 2014-15.



Source: Andhra Pradesh state portal



ECONOMIC SNAPSHOT – AGRICULTURAL SCENARIO

- * During 2014-15, the total gross area under crop production in Andhra Pradesh was 6.364 million hectares. Around 4.101 million hectares of land was used for the production of kharif crops and the rest for rabi crops.
- * The overall production of coarse grains in the state, during 2014-15, stood at 2.178 million tonnes, cereals at 8.124 million and pulses at 0.805 million tonnes.
- * Major food grains produced in Andhra Pradesh are rice, maize and pulses. Sugarcane, cotton, tobacco and groundnut are some of the other major crops produced in the state.
- * The state is home to the groundnut rich Rayalseema area, which accounts for nearly 90 per cent of state's production of groundnut. This area also produces most of the sugarcane in the state.
- * Andhra Pradesh also exports significant volumes of pulses, groundnuts, rice, maize and wheat. During April 2015 to August 2015, maize exports from the state stood at 1.78 million metric tonnes. During the same period, 743.1 thousand metric tonnes of wheat were exported from the state.

Crop	Area under production '000 Ha (2014-15)	Crop production '000 tonnes (2014-15)
Rice	2,772	6,863
Maize	300	1,878
Cereals	2,388	8,124
Pulses	1,039	805
Total food grains	3,947	11,107
Groundnut	872	511
Oilseeds	1,123	1,920
Vegetables	354.9	6,446
Fruits	547.8	9,124
Cotton	821	2,555
Fodder crops	66.79	NA

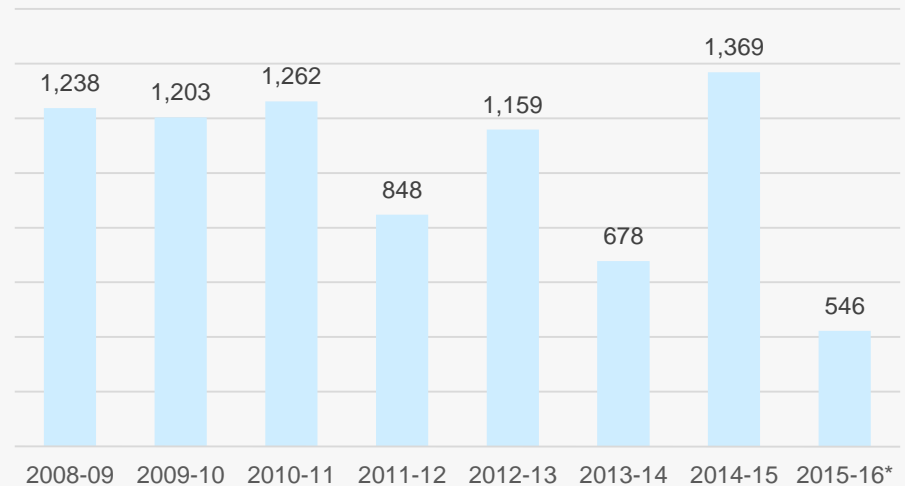
Source: Andhra Pradesh State Portal, Directorate General of Commercial Intelligence and Statistics
NA – Not Available,



ECONOMIC SNAPSHOT – FDI INFLOWS & INVESTMENTS

- * According to the Department of Industrial Policy & Promotion (DIPP), cumulative FDI inflows in Andhra Pradesh¹ from April 2000 to September 2015 totaled to US\$ 10.56 billion.
- * FDI inflows in Andhra Pradesh during April 2014 to March 2015 totaled to US\$ 1,369 million. In addition, the FDI inflows during April 2015 to June 2015 were recorded at US\$ 422 million.
- * Andhra Pradesh contributes around 4.04 per cent share to the cumulative FDI inflows of India.

FDI inflows in Andhra Pradesh (in US\$ million)



Source: Department of Industrial Policy & Promotion
*During April 2015-September 2015, ¹Including Telangana

ECONOMIC SNAPSHOT – IRRIGATION

- * Irrigation projects across Andhra Pradesh are spread over an area of 40.87 lakh hectares under major, medium and minor irrigation schemes. The net area under irrigation, in 2013-14, was 30.14 lakh hectares. This area is covered by five major rivers, namely, Godavari, Krishna, Pennar, Vamsadhara and Nagavali. Irrigation activities are taken care of by Andhra Pradesh State Irrigation Development Corporation (APSIDC)
- * In 2014-15, the Government of India along with the Government of Andhra Pradesh constituted the Polavaram Project Authority (PPA) as a national project for interlinking of rivers. Under the project, 80 TMC of Godavari water would be diverted to the Krishna river in order to irrigate 2.83 lakh hectares and supply 23.44 TMC of water to meet the state's drinking needs, water used for industrial needs and for generation of 960 MW of hydel power. The project is expected to be completed by the end of March 2018
- * Apart from major projects, the state Government is focussing on minor irrigation projects as well. For instance, minor projects are being carried under Rural Infrastructure Development Fund (RIDF) that was instituted by National Bank for Agriculture and Rural Development, Accelerated Irrigation Benefits Programme (AIBP), A.P Irrigation and Livelihood Improvement Project (APILIP), Repair, Renovation and Restoration of Water bodies (RRR), Tribal Sub Plan (TSP) and Scheduled Castes Sub-Plan (SCSP). Such kinds of irrigation projects create new areas for irrigation activities and stabilise the existing areas.
- * The Polavaram Project Authority (APSIDC), constituted by the Government of Andhra Pradesh, is running 54 projects (26 Major + 18 Medium + 4 Flood Banks + 6 Modernisation) that are estimated to create new irrigation potential of 19.64 lakh hectares and stabilise 8.57 lakh hectares of land via 92 schemes under NABARD, AIBP and state plans. In Budget 2015-16, a provision of US\$ 872.26 million is proposed for irrigation in Andhra Pradesh.

Water utilisation for irrigation, 2014-15 (in TMC)		
River basin	Existing projects	Ongoing projects
Krishna river	512.65	150.50
Godavari river	368.00	300.00
Pennar river	128.94	58.12
Vamsadhara	28.60	8.69
Other rivers	323.97	34.44
Total	1,362.16	551.75

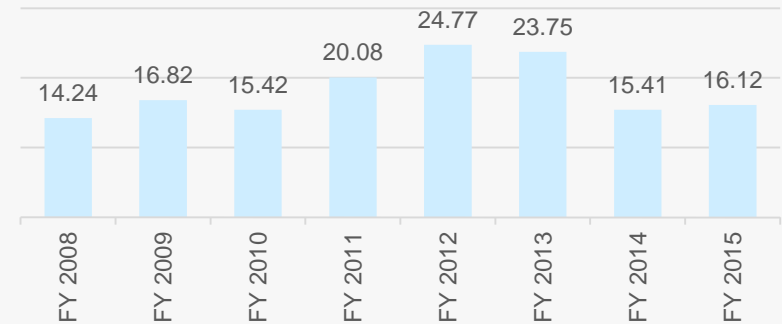
Source: Andhra Pradesh Budget 2015-16, Socio Economic Survey 2014-15



ECONOMIC SNAPSHOT – EXPORTS

- * Exports from Visakhapatnam port, one of 13 major ports in India, stood at 25.0 million tonnes during 2013-14. The port has also emerged as the leading port in marine exports in India. During 2014-15, the port handled 83 million tonnes of cargo
- * The overall value exports from the state increased from US\$ 14.24 billion in 2007-08 to US\$ 16.12 billion in 2014-15. Andhra Pradesh primarily exports drugs, pharmaceuticals and allied chemicals and plastics, agriculture and agro based products, engineering products, mineral products, handicrafts and carpets, textiles, leather, animal and marine products.

Total exports turnover from Andhra Pradesh (US\$ billion)



Source: Port of Visakhapatnam, Economic Survey 2014-15

Andhra Pradesh Exports of Few Agri Commodities US\$ thousands

Segment	2013-14	2014-15	2015-16 (April To October)
Floriculture	1,143.05	2,017.67	1,277.90
Fruits & vegetable seeds	8,127.82	11,291.70	8,834.69
Onions	431.16	260.40	57.75
Mangoes	1,268.72	1,267.40	1,905.13
Grapes	172.03	86.94	Not available

Source: APEDA



ANNUAL BUDGET 2015-16

* The Government of Andhra Pradesh proposed a budget of US\$ 18.75 billion for 2015-16.

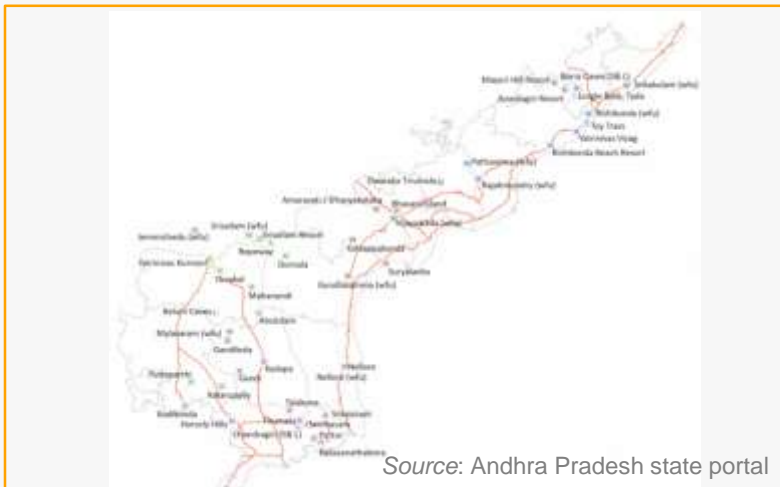
State annual budget (US\$ million)	
Commodity	2015-16
Irrigation	872.26
Social welfare	352.19
Tribal welfare	164.73
Backward classes welfare	536.00
Minorities welfare	62.87
Women & child welfare	179.33
Welfare of disabled & senior citizens	7.47
Handlooms and textiles	7.63
Housing	148.81
Civil supplies	407.93
Health medical and family welfare	950.23
School education	2,482.08
Intermediate education	97.05

State annual budget (US\$ million)	
Commodity	2015-16
Higher education	505.81
Rural development department	1,362.31
Panchayati raj	546.78
Rural water supply	146.15
The new state capital	525.55
Roads & building	491.04
Infrastructure & investment	32.35
Energy	723.29
Industries and commerce	105.67
Skill development, Entrepreneurship, and Innovation	59.72
Information technology and Communications	61.38
Youth services and Sports	7.47
Labour and Employment	46.62

Source: State Budget 2015-16

PHYSICAL INFRASTRUCTURE – ROADS

Road network across the state



- * As of October 2015, the state was connected via 4,423 km of national highways and 41,408 km of other roads.
- * Under 2015-16 state budget, the Government of Andhra Pradesh announced to invest US\$ 491.04 million for the development of roads and buildings in the state.
- * The road and building department of Andhra Pradesh announced its plans to increase the length of major roads in the state from 45,831 km to 46,440 km, during 2015-16.

- * As of April 2015, about 2,000 km of roads are under construction. These projects function under PPP mode.
- * Under Andhra Pradesh Petroleum, Chemicals and Petrochemicals Investment Region (AP PCPIR), construction of 40 km of national highways, 42 km of state highways and major districts roads nearly 75 km long is under planning and is expected to be completed over the next five years.

Road type	Road length (km) As of October 2015
National highways	4,423
Other roads	41,408
Black top and asphalt	38,723
Cement concrete	1,414
Non BT	1,271
Total roads	45,831

Source: Andhra Pradesh Roads and Building Department

PHYSICAL INFRASTRUCTURE – RAILWAYS & METRO RAIL

- * The state is well connected through the rail network. Visakhapatnam, the largest city in the state, has rail accessibility to nine district headquarters out of 13 in the new state. The city is also well connected to the neighbouring states of Odisha and Chhattisgarh.
- * Under the budget 2015-16, the Government of Andhra Pradesh announced plans to invest US\$ 18.24 million for the Nadikudi-Srikalahasti line, covering a length of 308 km. The main purpose behind the construction of this new line is to develop the backward areas of Guntur, Prakasam, Nellore and Chittoor districts and improve their connectivity with other states, and also enable exports of raw materials that are used in cement and granite industries.
- * In November 2015, the state Government of Andhra Pradesh announced plans to construct a new rail line in Amaravati village. The main purpose behind constructing this line is to connect the three mandals of state i.e. Amaravati, Mangalagiri and Tadepalle.
- * The Union Government has also planned to develop metro rail projects at three locations in the state, including Visakhapatnam, Guntur and Vijayawada. The Visakhapatnam project, estimated to cost US\$ 833.3 million, will develop four important routes that are not well connected currently.

- * In September 2015, the Government of Andhra Pradesh announced that the completion of the first phase of the Vijayawada Metro Rail Project is expected to take place by August 2018 and that of the Visakhapatnam Metro Rail Project is expected to be ready by December 2018.

Rail network across the state

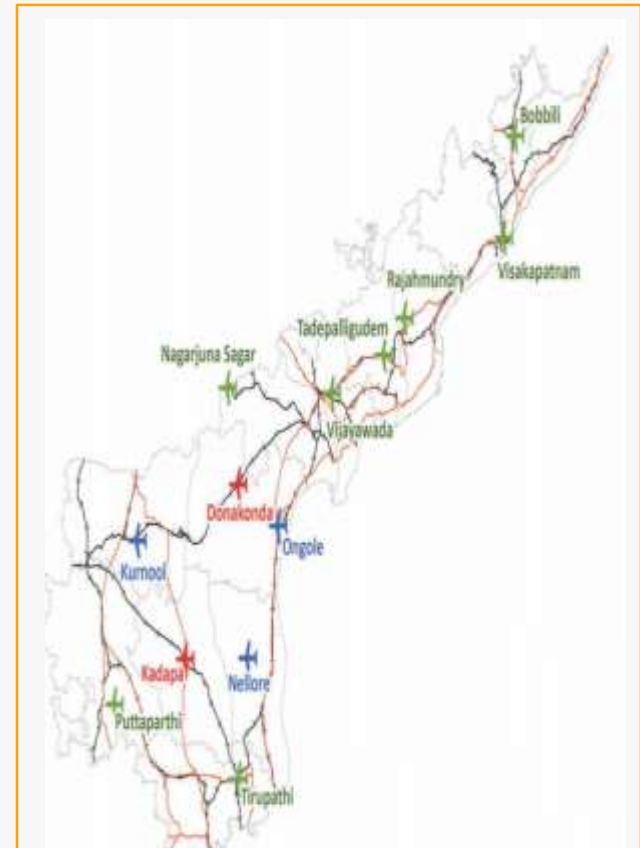


PHYSICAL INFRASTRUCTURE – AIRPORTS...(1/2)

- * Andhra Pradesh has eight operational airports/air strips at Visakhapatnam, Tirupati, Rajahmundry, Vijayawada, Bobbili, Nagarjuna Sagar and Puttaparthi. Apart from these, Donakonda airport is non-operational (closed) whereas four are under development in Nellore, Kurnool, Ongole and Kadapa. Visakhapatnam, also popular as Vizag, has an international airport, which is under the Navy's command.
- * In the budget 2015-16, the Government of Andhra Pradesh announced its enhanced support to Airports Authority of India for the repair and rehabilitation of existing airports at Vijayawada, Rajahmundry and Tirupati.

Airport statistics	September 2015	September 2014
Passenger traffic- Trichy airport	1,05,203	90,874
Passenger traffic-Visakhapatnam airport	1,37,896	95,485
Aircraft movement- Trichy airport	872	794
Aircraft movement-Visakhapatnam airport	1406	912
Cargo handled- Trichy airport	626 tonnes	405 tonnes
Cargo handled-Visakhapatnam airport	140 tonnes	76 tonnes

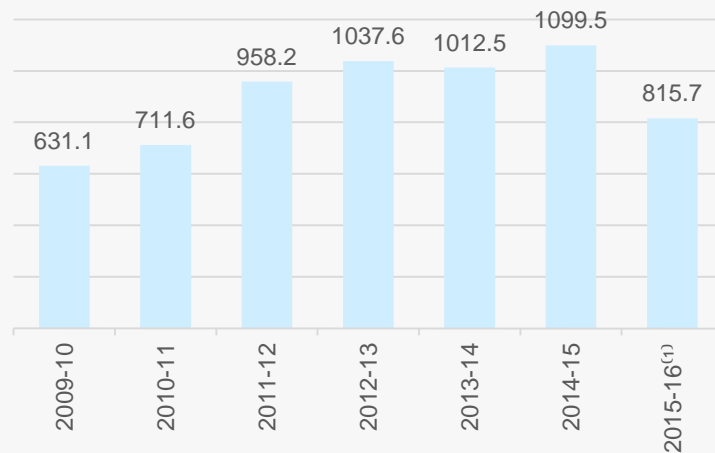
Airports across the state



Source: Andhra Pradesh state portal, Airports Authority of India

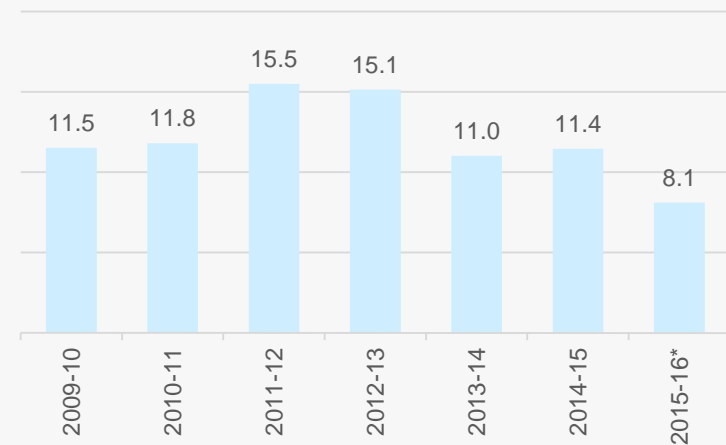
PHYSICAL INFRASTRUCTURE – AIRPORTS...(2/2)

Vishakhapatnam Airport Passenger Traffic
(in '000)



Source: Airports Authority of India
Fiscal Year: April 2014 till March 2015
*2015-16: April 2015 till September 2015

Vishakhapatnam Aircraft Movement
(in '000)



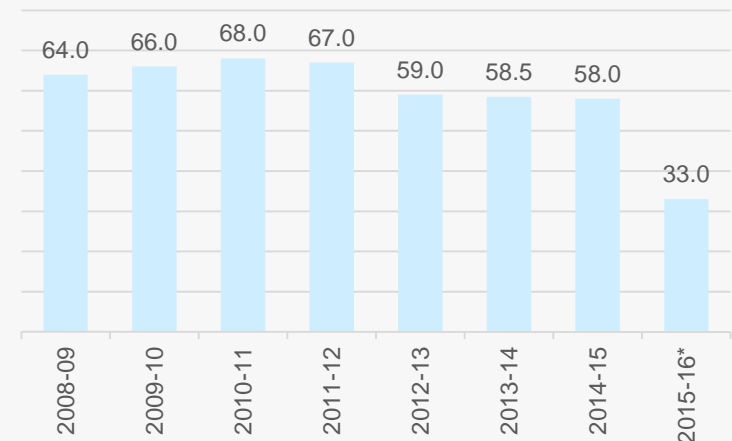
Source: Airports Authority of India
Fiscal Year: April 2014 till March 2015
*2015-16: April 2015 till September 2015

- * During April 2014 till March 2015, Vishakhapatnam airport handled 2,812 tonnes of total freight. During April 2015-September 2015, the total freight weight handled at the Vishakhapatnam airport reached 653 tonnes. In the 2015-16 state budget, the Government of Andhra Pradesh has proposed to establish greenfield airports in Bhogapuram, Vizianagaram District. The state Government is also planning to set up no-frills airports in Nagarjuna sagar, Guntur District and Donakonda, Prakasam district. In the Budget 2015-16, the Government has also announced plans to introduce regional airports at Kuppam, Chittoor district, Dagadarthi, Nellore district and Orvakallu, Kurnool district.

PHYSICAL INFRASTRUCTURE – PORTS

- * Andhra Pradesh has a 974 km long coastline and the second highest cargo handling port.
- * The Visakhapatnam port ranks fifth in terms of port traffic. During April 2014 -October 2015, the port handled 90.97 million tonnes of cargo.
- * In August 2015, the Government of Andhra Pradesh announced plans to establish 10 new ports in the state. Bhavanapadu Port, Narsapur Port, Ramayapatnam Port, Machilipatnam Port, Kakinada SEZ Port (captive), Meghavaram Port (captive), Nakkapalli Port (captive), Nizampatnam and Vodarevu and Dugarajapatnam Port are the new upcoming ports in the state.
- * The construction of Machilipatnam Port was put on high priority by the state Government in September 2015. Additionally, the state Government also announced to provide the remaining 300 acres of land required for construction of the port.
- * In 2014-15, petroleum, oil and lubricants (POL) accounted for a share of 25 per cent of the overall volume of goods traded from Visakhapatnam port.

Visakhapatnam port traffic (million tonnes)



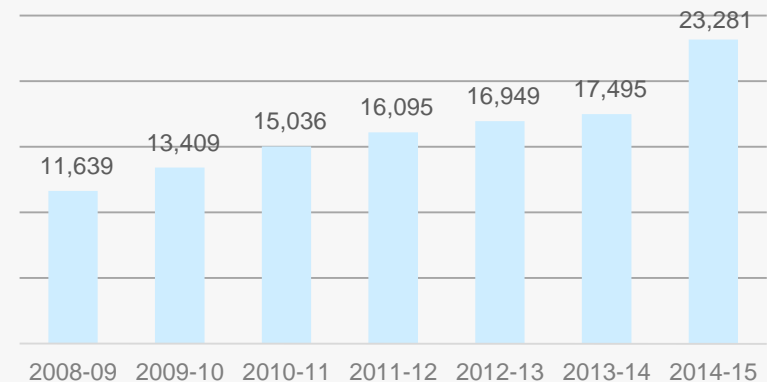
Source: Indian Ports Association
*April-October, 2015

- * POL traffic on Visakhapatnam airport has increased from 14.01 million tonnes in 2013-14 to 14.64 million tonnes in 2014-15. Between April-October 2015, the traffic of POL from Visakhapatnam port was 10.3 million metric tonnes.

PHYSICAL INFRASTRUCTURE – POWER

- * As of November 2015, Andhra Pradesh had a total installed power generation capacity of nearly 13,688.80 MW. However, Andhra Pradesh including Telangana accounts for an installed capacity of 23,281.38[^] MW. Out of the 13,688.80, state utilities contribute 4,934.28 MW, private utilities contribute 7,154.05 MW and central utilities contribute 1,600.46 MW. With a contribution of 9,708.83 MW, thermal power accounted for the highest share of the overall installed power generation capacity of the state, followed by renewable energy with a contribution of 2,055.66 MW.
- * The state has ten hydro power projects under operation and two under construction. Additionally, the state has one operational wind power project. The state also has four thermal power projects under operation, two projects under development and one projects under construction. Per capita consumption of electricity in Andhra Pradesh stood at 702.3 kWh during 2014-15. The state is planning to add another 8,400 MW power by 2017. Most coal based power plants are located in coastal regions due to their connectivity to the ports.
- * In September 2015, Singapore-based company Sembcorp Industries started operations of its second unit of thermal power plant having a capacity of 660 MW and thus the total capacity of plant reached 1,320 MW. In Budget 2015-16, the state Government announced plans to invest US\$ 723.29 million for the development of the energy sector in the state.

Installed power capacity[^] (MW)



Source: Central Electricity Authority
[^]As of November 2015 based on Business Line citation
[^]Including Telangana ;

- * In 2014-15, the Government of Andhra Pradesh sanctioned US\$ 528.86 million to facilitate free power to farmers in the state.
- * During 2015-16, the state Government announced plans to develop solar power parks with capacity of 2,500 MW in Ananthapuram, Kurnool & Kadapa Districts. During 2015-16, APGENCO, which is the largest power generating company in Andhra Pradesh, announced plans to add power plants, with capacity of 1,650 MW.

DEVELOPMENT PROJECTS: SEZs ... (1/2)

- * Andhra Pradesh Industrial Infrastructure Corporation (APIIC) is the agency responsible for the supervision and execution of SEZs in the state. As of March 2015, the state has 19 operational SEZs across diversified sectors which include textiles and apparel, food processing, footwear and leather products, multi-product, pharma, IT SEZs, etc.

Some of the operational SEZs in Andhra Pradesh

Name/Developer	Location	Primary industry
Andhra Pradesh Industrial Infrastructure Corporation Ltd	Vishakhapatnam	Multi-product, IT/ITeS
Brandix India Apparel City Private Ltd	Achutapuram, Visakhapatnam	Textile
Ramky Pharma City Pvt Ltd	Mandal, Visakhapatnam	Pharmaceuticals
Divi's Laboratories	Chippada Village, Visakhapatnam	Pharmaceuticals
Apache SEZ Development India	Mandal Tada, Nellore	Footwear
Hetero Infrastructure	Nakkapalli	Pharmaceuticals
Parry Infrastructure	Kakinada	Food processing
Andhra Pradesh Industrial Infrastructure Corporation Ltd	East Godavari	IT/ITeS
IFFCO Kisan SEZ	Nellore	Multi product
Bharatiya International SEZ	Nellore	Leather sector
Andhra Pradesh Industrial Infrastructure Corporation Ltd	Nellore	Multi product

Source: Ministry of Commerce & Industry, Department of Commerce, SEZ: Special Economic Zone

DEVELOPMENT PROJECTS: SEZs ... (2/2)

- * As of July 2015, in addition to the operational SEZs, Andhra Pradesh had 4 SEZs with valid in-principle approvals, 30 SEZs with formal approvals and 26 with notified approvals.

SEZs with valid in-principle approvals

Name/Developer	Location	Primary industry
South Coast Infrastructure Development Co of Andhra Pradesh Private Ltd (SCIDCAP)	NH-5 between Prakasam and Nellore District	Building materials
M/s Drugs & Pharmaceuticals Manufactures Association	Nakkapalli Mandal, Visakhapatnam	Pharmaceuticals /APIs/formulations
M/s Vivimed Labs Ltd	Boyapalem, Naruva & Chittivalasa villages, Ranasthalam Mandal, Srikakulam	Chemicals & pharmaceuticals
M/s Planet SEZ Private Limited	Visakhapatnam	Petroleum and oil & gas industry

Source: Ministry of Commerce & Industry, Department of Commerce, SEZ: Special Economic Zone

KEY PUBLIC-PRIVATE PARTNERSHIP (PPP) PROJECTS

Project name	Sector	Project cost (US\$ million)	Stage
Jegurupadu Combined Cycle Power Project	Energy	170.0	Operational
Mechanised Coal Handling facilities and Upgradation of the General Cargo Berth in Outer Harbour of Visakhapatnam Port	Transport	106.23	Operational
Dispensary Site at Maddilapalem	Social and commercial infrastructure	2.04	Under construction
District Central Library at Visakhapatnam	Social and commercial infrastructure	4.14	Under construction
IGIAT Multi Skill Development Centre Pulivendula, Kadappa District of AP	Social and commercial infrastructure	4.14	Under construction
Installation of Mechanized Fertilizer Handling Facilities at EQ-7 Berth (EQ-7) in the Inner harbour of Visakhapatnam Port Trust	Transport	36.09	Under construction
Machilipatnam Port Development	Transport	263.76	Under construction
Nellore-Chilikaluripet NH-5 Road Project	Transport	403.78	Under construction
Road Upgradation (Gundugolanu-Vijayawada) Project	Transport	333.60	Under construction

Source: Department of Economic Affairs, Government of India, Converted using flat exchange rate of INR 60.28/US\$



DEVELOPMENT PROJECTS: INVESTMENT AND MANUFACTURING ZONES

NIMZ in Chittoor District

- As of March 2015, the Government of India has approved the construction of a National Investment and Manufacturing Zones (NIMZ) in Chittoor district. The NIMZ would be based in an area ranging between 5,000-6,000 hectares and would comprise state of art infrastructure. Construction of this NIMZ is expected to be completed by 2017. The NIMZ is expected to be developed as an integrated industrial township and the total investment involved in this project is US\$ 4.97 billion. It is expected to generate employment opportunities for nearly 3 lakh people.

New state capital and 14 smart cities

- The state Government is planning to set up the new capital for the state between Vijayawada and Guntur, which will be based on the draft master plan by International Enterprise Singapore. For the construction of the new state capital, the Government of Andhra Pradesh announced plans to invest US\$ 525.54 million during 2015-16.
- Moreover, in September 2014, the Government announced plans to develop 3 mega cities and 14 smart cities across the state as part of the decentralised development agenda. However, the central Government shortlisted 3 cities, namely, Visakhapatnam, Tirupati and Kakinada to be developed as smart cities.

Industrial corridors

- The proposed Visakhapatnam-Chennai industrial corridor is expected to attract investments of US\$ 16.7 billion and will create more than 50,000 jobs.
- This will be developed in two or three phases spanning more than 15 years.
- Moreover, Visakhapatnam has been included in the upcoming Chennai-Bangalore Industrial Corridor. The former will provide a thrust to industrial development across various districts and villages in the state along the stretch of the corridor, whereas the latter will lead to development across Anantapur, Chittoor and Nellore.



PHYSICAL INFRASTRUCTURE – TELECOM

- * According to the Telecom Regulatory Authority of India (TRAI), Andhra Pradesh (including Telangana) had nearly 73.96 million wireless subscribers and 1.81 million wireline subscribers as of October 2015.
- * According to the Department of Telecommunications, Government of India, ^Andhra Pradesh (including Telangana) had 4,219^ telephone exchanges and 125,396^ public call offices (PCOs) as of August 2015.
- * As of August 2015, the overall tele-density in Andhra Pradesh (including Telangana) stood at 84.83^ percent.
- * Optical fibre cable networks of BSNL with 44,500^ km, Reliance with 6,000^ km, Bharat with 3,450^ km and Tata with 1,700^ km provide a wide range of communication networks to Andhra Pradesh.
- * As of August 2015, there were 18,098 post offices in Andhra Pradesh (including Telangana).
- * BSNL announced that there will be no charge of inter-state roaming between Telangana and Seemandhra until 2024.
- * In 2024 when the licensing of spectrum ends, a new spectrum auction would be conducted for the two states and the norms would be set at that time for inter-state roaming.
- * In August 2015, Xiaomi established a tie up with Foxconn for the assembling of smartphones in Sri City, an industrial park in Chittoor district of Andhra Pradesh.
- * By the end of August 2015, 16,561,661 subscribers had submitted request for mobile number portability in Andhra Pradesh.

Telecom infrastructure (as of October 2015)	
Wireless subscribers^	73,966,630
Wire-line subscribers^	1,814,899
Internet subscribers^	23,400,000 ¹

Source: Telecom Regulatory Authority of India, India Post
 ^Andhra Pradesh (including Telangana)
 BSNL: Bharat Sanchar Nigam Limited
¹As of June 2015



SOCIAL INFRASTRUCTURE – EDUCATION

- * Andhra Pradesh has a literacy rate of 67.4 per cent, according to provisional data released by Census 2011.
- * During 2014-15, 48 new primary schools were introduced in the state and 11 primary schools were upgraded to upper primary schools. The Government of Andhra Pradesh also announced inclusion of eighth class in 2,441 upper primary schools across the state.
- * In the 2015-16 state budget, the Government announced plans to introduce 163 model schools with IT infrastructure and sports. For this purpose, the state Government plans to invest US\$ 81.61 million during 2015-16.
- * For the growth of the education sector in the state, the state Government announced plans to invest US\$ 3,084.94 million during 2015-16. Out of the total investment, 80.5%, 16.4% and 3.1% has been allocated for school education, higher education and intermediate education, respectively.
- * In order to boost the higher education in the state, the Government of Andhra Pradesh introduced various initiatives in 2014-15. Jawahar Knowledge Centres is one example of such initiatives established to provide employment skills to 120 Government dental colleges in the state.

Classes	Number of schools as of August 2015
(I-V)	40,329
(I-VII/VIII)	9,817
(I-XII)	180
(I-X)	1014
(VI-X)	9,603

Education Infrastructure in Andhra Pradesh-August 2015

Course	Number of colleges	Number of students enrolled
Junior colleges	575	507,000
Engineering	330	179,360
Pharmacy colleges	133	13,800
MBA colleges	387	49,140
Polytechnics	306	86,831

Source: Commissioner & Director of School Education, State Annual Budget, 2015-16



SOCIAL INFRASTRUCTURE – HEALTH

- * As of August 2015, Andhra Pradesh had 1,069 primary health centres and 41,675 beds. The state also had 366 allopathic hospitals as of September 2015. Moreover, the state also had three ayurvedic hospitals and three homoeopathic hospitals.
- * During 2015-16, the Government of Andhra Pradesh announced plans to invest US\$ 950.23 million for the growth of health and medical sector in the state.
- * The state Government is continuously focusing on the development of water infrastructure to improve health infrastructure. During 2014-15, the state Government launched the “NTR Sujala Pathakam” program to facilitate safe drinking water. For increasing the supply of water in the rural areas in the state, the Andhra Pradesh Government announced its intention to invest US\$ 146.15 million for the development of water supply infrastructure in rural areas.

Major hospitals	
Apollo Hospital	
Care Hospital	
Manipal Hospital	
Krishna Institute of Medical Sciences	

Health indicators (2014-15)	
Birth rate*	17.5
Infant mortality rate**	39
Death Rate*	7.3
Medical facilities (2014-15)	
Hospitals	460
Primary health centres	1,069
Dispensaries	1837
Regular doctors	6,087
Contract doctors	876
Beds available	41,765

Source: Andhra Pradesh state portal, SRS Bulletin

*Per thousand persons, **Per thousand live births



SPORTS AND CULTURAL INFRASTRUCTURE

- * There are several sports complexes in the state spreading across Visakhapatnam, Tirupati and other cities. Although cricket and tennis are the major sports, other games are also popular. The Tirupati temple and Kanakadurga temple make the state one of the leading religious tourism spots in the country. The National Co-operative Development Corporation (NCDC), New Delhi has been facilitating financial support to Andhra Pradesh towards establishment of infrastructure facilities.
- * For the development of youth services and sports, the state Government announced plans to invest US\$ 7.47 million during 2015-16.
- * As of August 2015, the state accounted for 36,917 square kilometres of forest area. Andhra Pradesh has 13 wildlife sanctuaries, three national parks and two zoo parks. In February 2015, the Government of Andhra Pradesh introduced the Neeru-Chettu programme for water conservation.
- * During 2015-16, the state Government announced plans to invest US\$ 47.11 million for the growth of environment, forests, science & technology sectors. During 2015-16, for skill development, entrepreneurship, and innovation, the state Government announced plans to invest US\$ 59.72 million. The Government also introduced 17 skill development centres across the state.

Stadiums and sports complexes in Visakhapatnam

Aqua Sports Complex

Port Trust Golden Jubilee Stadium

South Eastern Railway Stadium

Police Stadium

Indira Priyadarshini Stadium

Steel Plant Township Stadium

Zinc Stadium

GITAM Engineering College Synthetic Tennis Court

ACA-Visakhapatnam District Cricket Association's Stadium

Golden Jubilee Indoor Stadium

Swarnabharathi Indoor Stadium

GITAM Indoor Sports Stadium

Andhra University Grounds

SMART CITY

- * In September 2014, Andhra Pradesh Government proposed to develop 14 smart cities, including Kakinada and Rajahmundry Srikakulam, Vizianagaram, Guntur, Nellore, Prakasam, Anantapur and Kurnool. Additionally Kadapa town would be developed into an industrial smart city. On the basis of population and number of statutory towns, the central Government has shortlisted 3 cities, namely, Visakhapatnam, Tirupati and Kakinada.

City	Population	Literacy rate	Area (sq. km)
Visakhapatnam city	1,728,128	81.79 %	544
Tirupati	287,482	86.97 %	24
Kakinada	312,538	80.62 %	30.51

- * Water supply, solid waste management, sewerage, multimodal transport, cyber connectivity, roads, airports, railways and social infrastructure are the key aspects of the smart city project in Andhra Pradesh. In Andhra Pradesh majority of the proposed smart cities are located in special investment regions or special economic zones with reformed regulations and tax structures which makes it highly attractive for foreign investments.
- * In order to convert Andhra Pradesh into a impeccably smart state, the state Government has laid out few plans such as a five-grid network, mission-mode administrative initiatives, new-age university and institutions and a 21st century capital city. In the similar direction the state Government is also taking actions towards energy, gas, farming and IT sectors for the effective development of 21st century capital city.
- * In January 2015, US Trade and Development Agency (USTDA) and the state Government signed a Memorandum of Understanding (MoU) for the development of smart cities in Andhra Pradesh, wherein USTDA would fund the feasibility study, tours, and other associated projects. Apart from development of smart cities, the state Government is also planning to build or convert villages, universities, institutes of higher learning and R&D institutions in a smarter way. For that reason, the Government launched “Smart Village/Smart Ward towards Smart Andhra Pradesh initiative” on January 18, 2015.

Source: Census Organization of India

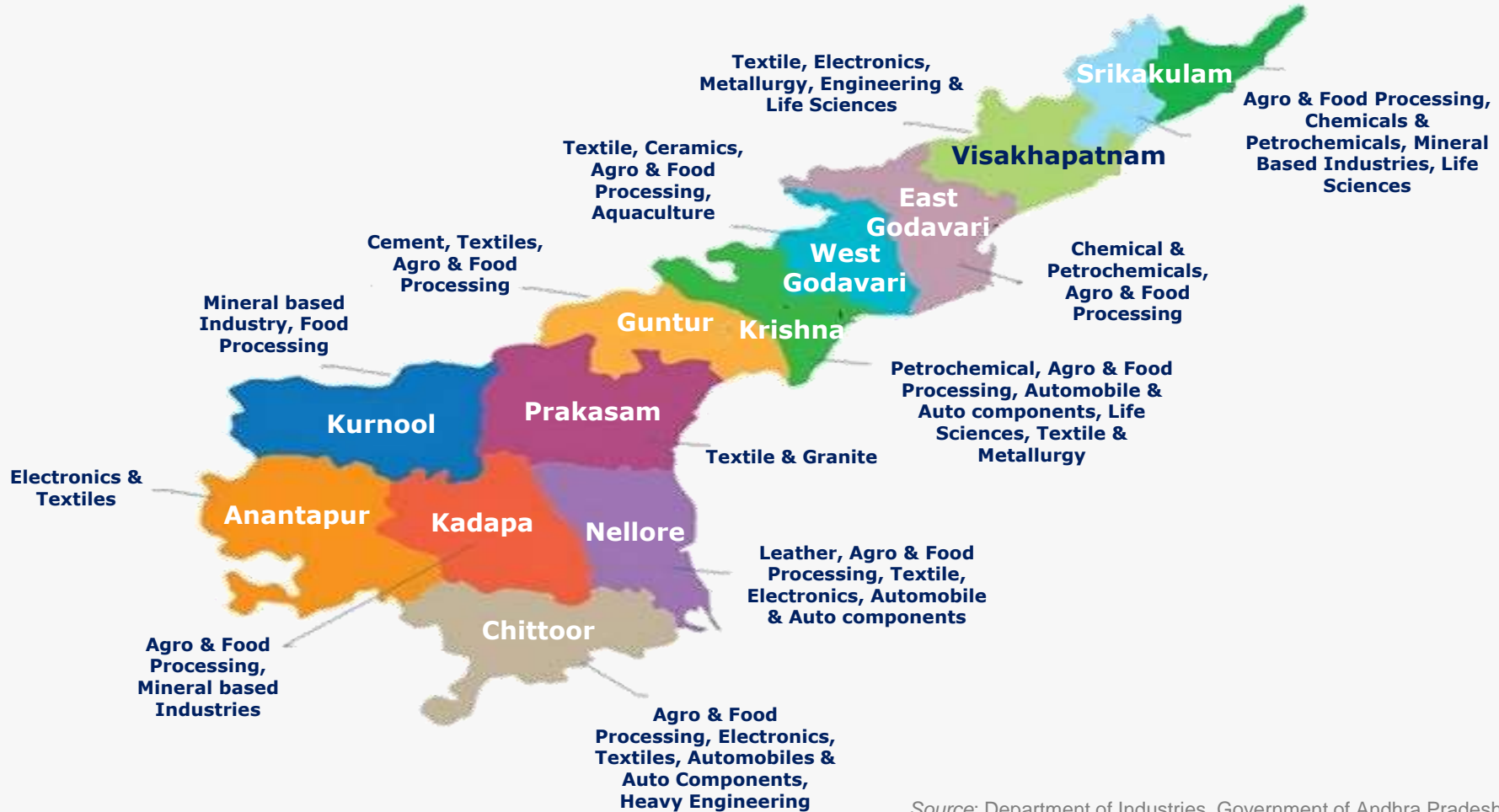
INDUSTRIAL INFRASTRUCTURE...(1/2)

- * Andhra Pradesh is recognized as the first state in the country which has separate policy for SC and ST Entrepreneurs. This act is made for the development of Vizag-Chennai and Bengaluru-Chennai industrial corridors. During 2015-16, the state Government proposed to invest US\$ 105.67 million for the growth of industries and commerce in Andhra Pradesh.
- * Andhra Pradesh Industrial Infrastructure Corporation filed the applications on line with Development Commissioner – MSME for the following 10 Industrial clusters for in principle approval / Government of India grant.

Location of industrial cluster	Type of cluster	No of acres	Project cost (US\$ million)
Makavaripalem-Visakhapatnam	Aluminum & general engg. Cluster	111.44	4.6195
Kopparthi-Kadapa	Engineering cluster	87.48	3.582917
Gandrajuaplli-Chittoor	Silk & garments cluster	100	6.642183
Peddapuram-E.G Dist.	Traditional food cluster	20.6	1.710367
Mangalagiri-Guntur Dist.	General engg park	51.83	4.2292
Machilipatnam-Krishna Dist.	Upgradation of existing imitation jewellery park	43	2.548383
Palakollu-W.G. Dist.	Upgradation of existing coir park	12.24	1.251467
Palasa-Srikakulam Dist.	Upgradation of existing cashew park	31.61	1.0943
Total		458.20	25.67

Source: APIIC, US\$ 1= INR 60.28

INDUSTRIAL INFRASTRUCTURE...(2/2)



Source: Department of Industries, Government of Andhra Pradesh



KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (1/3)

- * Andhra Pradesh accounted for 2.3 per cent of the country's IT export turnover and about 1.4 per cent of the employment by August 2015.
- * As per the annual budget 2015-16, for the growth and development of IT industry, the state Government of Andhra Pradesh adopted the Mission Mode approach. Under this approach three entities, namely, e-Governance Authority, Electronics & IT Agency and Innovation Society have been established.
- * In August 2015, the Government of Andhra Pradesh established facilities for the incubation of start-up companies in the state, such as Sunrise Start-up Technology Research and Incubation Park (TRIP), at Madhurawada.
- * Madhurawada, located in the north-east of Visakhapatnam, has already been developed as an IT hub. Various IT firms have been allocated land in this area to develop and start their operations while few of them are already operational.
- * Big brands such as IBM, Tech Mahindra and Wipro already operate in Vizag. Moreover the city has close to three universities which produce more than 35,000 IT graduates every year.
- * These include allocation of an SEZ to Wipro, 10 acres to Tech Mahindra & 13 acres to Society for Applied Microwave Electronics Engineering and Research.
- * Apart from Visakhapatnam, cities such as Vijayawada, Tirupati, Kakinada and Anantapur will also be developed into IT hubs.
- * Under Andhra Pradesh IT POLICY – 2014-2020, the state Government aims to create 500,000 job opportunities in the IT sector and expects an annual turnover of US\$ 1.81 billion during 2015-16.
- * By the introduction of this policy, the Government of Andhra Pradesh has set a target to attract investment of US\$ 2 billion in the IT sector and US\$ 5 billion in electronics manufacturing over the next five years. The state Government is targeting to increase its exports share in the country's overall software exports to 5%, in the coming years and is also planning increase the penetration of e-literacy in the state.

Source: Andhra Pradesh IT department, News articles, State Budget 2015-16

KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (2/3)

- * Exports of IT products from the state has increased from US\$ 212.28 2013-14 to US\$ 230.12 million in 2014-15.
- * In order to increase the contribution of IT export and employment from Seemandhra, the state has drafted a guideline to address the key determinants of successful growth in the IT and Electronics sectors.

Parameter	Contribution from Seemandhra
Exporting units registered with STPI	27
Export turnover of STPI units (US\$ million)	122.8
Employment ('000s)	4

Major indicator	Goal to be achieved by 2020
Make all Government to citizens and Government to business services available online and on mobile	To attain number one position in 'eTAAL' by 2017 and maintain it through 2020
Share in the national IT exports	5 per cent
Investments in IT	US\$ 2 billion by 2017 & US\$ 5 billion by 2020
Investments in electronics manufacturing	US\$ 5 billion by 2017 and US\$ 10 billion by 2020
Employment created in electronics and IT	0.3 million by 2018 and 0.5 million by 2020
Broadband penetration	Gigabit connectivity to all gram panchayats by 2017 and to all villages by 2020

Source: Andhra Pradesh IT vision

KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (3/3)

Tech Mahindra



- Tech Mahindra, part of Mahindra Group conglomerate and headquartered at Mumbai, provides information technology, networking technology solutions and business support services to the telecommunications industry. The company, having operations in Visakhapatnam, merged with Mahindra on March 21, 2012 and together the new entity serves 540 corporate customers across 49 countries. The company reported a revenue of US\$ 3.2 billion financial year 2014-15. During April-September 2015, the company reported revenues of US\$ 2.01 billion.

IBM



- IBM is a leading global IT services and solutions provider, with operations in over 170 countries across the world. Products offered by the company's Indian operations include software, storage, systems and servers and semiconductors. IBM has been present in India since 1992. Since inception, IBM in India has expanded its operations considerably, with regional headquarters in Bengaluru and presence in over 200 cities and towns across the country; including a global delivery center in Visakhapatnam. In 2014, company's net income was US\$ 12.02 billion. During second quarter of 2015, company's net income was US\$ 3.8 billion.

Wipro



- Established in 1945, Wipro ventured into the IT services industry in the 1990s. The company was among the pioneers in developing the Offshore Development Centre concept in India. In order to focus on core IT business, it separated its non-IT businesses into a separate entity named Wipro Enterprises Limited with effect from 31 March 2013. Currently, the former company provides information technology, consulting and outsourcing services to over 900 clients across more than 175 cities across 6 continents. In 2012, the company opened a delivery centre in Vishakhapatnam. The company has an employee base of 146,053 and posted revenues of US\$ 6.9 billion during financial year 2014-15. During April-September 2015, the company reported revenues of US\$ 3.7 billion.



KEY INDUSTRIES – PHARMACEUTICALS ... (1/2)

- * Andhra Pradesh is home to many global and national pharma players; various companies have set up their manufacturing hubs in Visakhapatnam and Srikakulam districts. Parawada, Nakkapalli, Pydibhimavaram and Ranasthalam are the largest pharma manufacturing centres in the state that have attracted several investments, particularly in bulk drug sector. While Parwada and Nakkapali are located in Vishakapatnam, the other two are located in Srikakulam.
- * Jawaharlal Nehru Pharma City, an integrated industrial park located in Visakhapatnam, has various bulk drug manufacturers, pharmaceutical companies and fine chemical manufacturers, with nearly 45 pharmaceutical companies.
- * Securing second position after Maharashtra, Andhra Pradesh accounted for about 30 per cent of the overall pharmaceutical exports from India, during 2014-15.
- * Various global pharma companies have already set up their manufacturing hubs across the state which include Japanese and US giants such as Eisai, Ajinomoto, Mylan and Hospira. Availability of abundant water, electricity and long coastline makes Andhra Pradesh a potential state for investment in the pharmaceutical industry as these utilities hold significant share in the production cost of pharma products. In August 2015, the US-based pharma company Mylan had invested US\$ 5 billion in Andhra Pradesh to increase its presence.
- * A 40-member high level team has been set up by the state Government to provide directions to new investments in the pharmaceuticals sector.
- * Hospira Inc., a unit of Pfizer, introduced a drug manufacturing facility in Andhra Pradesh in February 2015. Hospira invested around US\$ 450 million for establishing this facility. In June 2015, Hospira was granted permission by the US Food and Drug Administration (FDA) for commencing production of drugs in this facility.
- * In August 2015, Aurobindo Pharma Ltd announced that the company would establish three new plants in Andhra Pradesh and Telangana for the production of oral solid finished dosages and oral finished dosage by August 2016.





Some of the key players

- Eisai
- Granules India
- Hospira
- Dr Reddy's Laboratories
- Aurobindo Pharma
- Mylan
- Omnicem

Source: News articles, AP State Portal



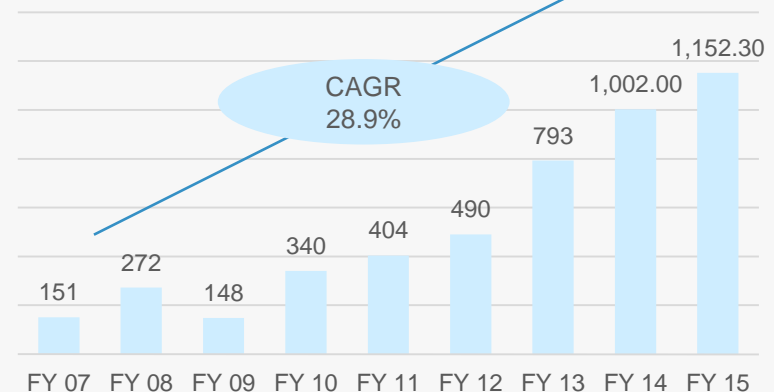
KEY INDUSTRIES – PHARMACEUTICALS ... (2/2)

<p>Aurobindo Pharma Ltd</p> 	<ul style="list-style-type: none"> Founded in 1986, Aurobindo Pharma is an India based pharmaceutical manufacturing company. The company, which manufactures generic pharmaceuticals and active pharmaceutical ingredients, markets these products across 125 countries. The company has a manufacturing plant in Vizag. During 2014-15, the company reported revenues of US\$ 1.3 billion. During April-September 2015, company generated revenues of US\$ 711 million.
<p>Dr Reddy's Laboratories</p> 	<ul style="list-style-type: none"> Incorporated in 1984, Dr Reddy's Laboratories manufactures and markets a wide range of pharmaceuticals across domestic and overseas markets. The company's products include generic formulations, APIs, bio-similars etc. It has expanded its presence across the globe through steady organic growth, partnerships and acquisitions. During 2014-15, the company reported revenues of US\$ 1.6 billion. During April-September 2015, company generated revenues of US\$ 893.55 million.
<p>Mylan Laboratories Ltd</p> 	<ul style="list-style-type: none"> Mylan Laboratories Ltd (formerly known as Matrix Laboratories Ltd) is a subsidiary of US-based Mylan Inc and has one USFDA-approved facility in Visakhapatnam. It is one of the world's largest manufacturers and suppliers of active pharmaceutical ingredients (APIs) for a wide range of therapeutic categories including antibacterials, central nervous system agents, antihistamine/anti-asthmatics, cardiovasculars, antivirals, antidiabetics, antifungals, proton pump inhibitors and pain management drugs.
<p>Granules India Ltd</p> 	<ul style="list-style-type: none"> Granules India is a Indian pharmaceutical company with manufacturing facilities spreading across India and China. The company serves customers across 60 countries with four facilities in India, which includes Vizag and a fifth facility in Jingmen, China. The company recently acquired Auctus Pharma and is looking towards further expansion of its business through both organic and inorganic routes. In 2014-15, the company recorded revenues of US\$ 195 million. While, during April-September 2015, Granules India generated revenues of US\$ 109 million.

KEY INDUSTRIES – APPARELS AND TEXTILES...(1/2)

- * Andhra Pradesh produces medium grade and superior long staple varieties of cotton. Cotton yarn production in the state increased from 299.37 thousand tonnes in 2012-13 to 402.92 thousand tonnes in 2014-15. During April 2015-June 2015, Andhra Pradesh produced 104.55 thousand tonnes of cotton. Silk production in the state has increased from 6,550 metric tonnes in 2012-13 to 6,912 metric tonnes in 2014-15. During April-August 2015, silk production in the state stood at 1,558 metric tonnes.
- * Few of the major cotton producing districts in the state include Vizianagaram, East Godavari, Guntur, Prakasam and Kurnool. Brandix India Apparel City, based in Visakhapatnam, is recognised as the best example of modernisation and technology and facilitates a stage for end to end apparel business.
- * In 2015, the Government of Andhra Pradesh introduced Textile & Apparel Policy 2015-2020, which would remain in existence for next five years. The purpose of this policy is to make Andhra Pradesh the most suitable state for textile activities.
- * The state Government also set a target to entice new investments of US\$ 995 million by 2020. The policy also aims at creating employment opportunities for three lakh people by 2020 and for five lakh people by 2025.
- * In 2015, the state Government plans to set up two mega handloom clusters with an investment of US\$ 16.5 million in each of them at Mangalagiri and Chirala.

Handloom and textile exports for Andhra Pradesh (Including Telangana) (in US\$ million)



Source: Andhra Pradesh Socio-Economic Survey 2014-15, News articles,

KEY INDUSTRIES – APPARELS AND TEXTILES...(2/2)

Textiles and handloom parks in Andhra Pradesh

- AEP, Gundlapochampally, Ranga Reddy Dist.
- AEP, Vizag, Visakhapatnam Dist.
- AEP, Proddatur, Kadapa dt.
- Textile Park, Sircilla, Karimnagar Dist (TCID)
- Textile Park, Pashamylaram, Medak Dist (TCID)
- Textile Park, Malkapur, Nalgonda Dist
- Textile Park, Rayadurg, Anantapur Dist
- Textile Park, Pamidi, Anantapur Dist
- Handloom Park, Chirala , Prakasam dist.
- Mini Textile Park, Warangal
- Textile Park, Mylavaram, Kadapa District
- Textile Park, Venkatagiri, Nellore Dist.
- Handloom Park, Gadwal, Mahabubnagar
- Handloom Park, Pochampally, Nlg.dt.(SITP)
- Hindupur Vyapar Apparel Park Ananthapur Dist. (SITP)
- Brandix India Apparel (Garment) City, APSEZ, Achuthapur, Vizag (SITP)
- MAS Fabric Park Pvt. Ltd., Chintavaram, Nellore

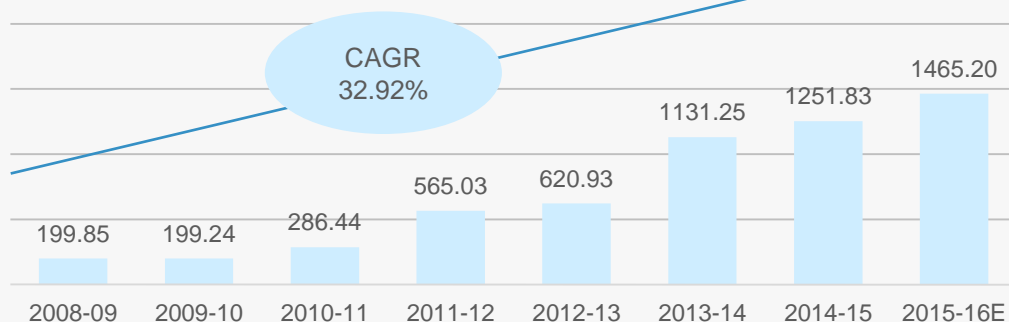
- * In 2014-15, the Government of Andhra Pradesh approved an amount of US\$ 92.89 thousand for 28 primary handloom weavers cooperative societies for the growth of weaving industry.
- * The Government of Andhra Pradesh also sanctioned US\$ 0.51 million to primary handloom weavers cooperative societies, ACC holders and APCO under 'Pavalavaddi' scheme for the development of handloom and textile sectors in the state in 2014-15.
- * To provide subsidy on the purchase of hank yarn, dyes & chemicals, the Government of Andhra Pradesh approved an amount of US\$ 200.72 thousand for 278 primary weavers cooperative societies in 2014-15,
- * According to the budget 2015-16, the state Government announced plans to invest US\$ 7.63 million for facilitating growth in handloom and textile sectors of the state.

Source: Department of Handlooms & Textile, State Annual Budget 2015-16

KEY INDUSTRIES – AGRICULTURE AND PROCESSED FOOD SECTOR ... (1/3)

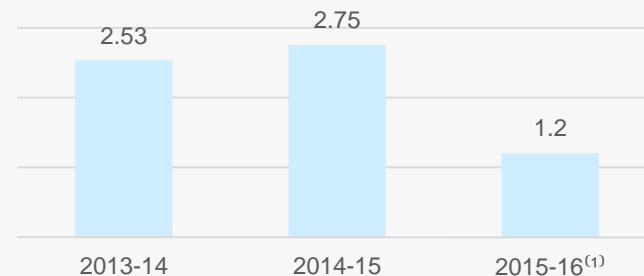
- * The presence of rich climatic and soil conditions make Seemandhra a major agricultural belt. Few of the leading crops produced in the state include rice, chilly, oilseeds, cotton, pulses and gram. The Krishna, Guntur, East and West Godavari districts have good irrigation facilities. The districts of Nellore, Krishna and Guntur are very fertile, with above average production of cereals, pulses, groundnut and cotton. During 2014-15, Andhra Pradesh accounted for about 22 per cent of overall exports of seafood products from India, in value terms. Export of dairy products from the state stood at US\$ 3.6 million in 2014-15, whereas, during April-August 2015, goods worth US\$ 107.48 thousand were exported from the state.
- * Andhra Pradesh is recognised as one of the leading states, in terms of rice yield. During 2014-15, its rice yield stood at 2,856 kg/hectare and area under production of rice was 2,555 thousand hectares. Rice export from the state has increased from US\$ 937.63 million in 2013-14 to US\$ 1,010.95 million in 2014-15. During April-August 2015, exports of rice from the state stood at US\$ 393.14 million. Exports of poultry products from the state have witnessed strong growth in past few years. In 2010-11, poultry exports from Andhra Pradesh were valued at US\$ 41.55 thousand which increased to US\$ 11,173.40 thousand during 2014-15. During April-August 2015, poultry products worth US\$ 6,460.38 thousand were exported from Andhra Pradesh.

Seafood exports from Andhra Pradesh (in US\$ million)



Source: The Marine Products Export Development Authority (MPEDA)

Rice exports from Andhra Pradesh (in million tonnes)



Source: APEDA, ¹Between April 2015-August 2015



KEY INDUSTRIES – AGRI AND PROCESSED FOOD SECTOR ... (2/3)

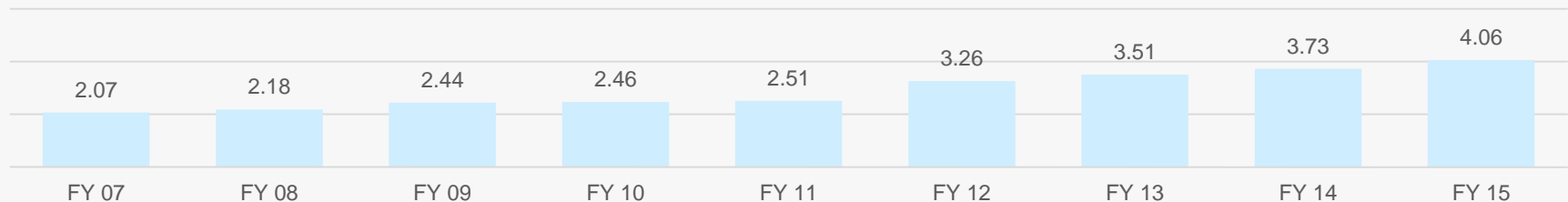
- * Australia has plans to invest in the state to develop it as the marine processing hub of the country. In 2014-15, Andhra Pradesh recorded 4.06 lakh tonnes fish production in comparison with 3.73 lakh tonnes of fish production in 2013-14. State Government has proposed to set up a fish landing centre at West Godavari district with an estimated cost of US\$ 2.6 million. It is also proposed to set up an aqua park at Bhimavaram in 60 acres with an investment of US\$ 58.7 million.

Dairy products exports from Andhra Pradesh, 2014-15

Port	Metric tonnes	US\$ thousand
Visakhapatnam sea	212.68	157.60
Vishakhapatnam airport	5.03	25.92

Source: Agricultural and Processed Food Products Export Development Authority

Andhra Pradesh¹ marine fish production (in lakh tonnes)



Source: The Marine Products Export Development Authority (MPEDA), ¹Andhra Pradesh (Including Telangana)

KEY INDUSTRIES – AGRI AND PROCESSED FOOD SECTOR ... (3/3)

Mondelez India Foods Ltd



- Mondelez India Foods Ltd is part of Mondelez International, Inc. It operates in five categories – chocolate confectionery, beverages, biscuits, gum and candy. The company's key brands in India include Cadbury Dairy Milk, Bournvita, 5 Star, Perk, Bournville, Celebrations, Gems, Halls, Éclairs, Bubbalo, Tang and Oreo.

Cargill India Pvt Ltd



- Cargill maintains a number of businesses in India, with operations including handling and processing of a wide range of products such as refined oils, grain and oilseeds, sugar, cotton and animal feed. Cargill's presence in India has been growing since it began a joint venture (JV) operation in 1987. Aiming at increasing food safety awareness in India, in July 2015, Cargill introduced Surakshit Khadya Abhiyan.

ITC



- ITC is a large Indian business conglomerate with diverse business interests including agri-foods, paper, fast moving consumer goods, lifestyle and retailing and hotels. Over 2014-15, the company recorded revenues of around US\$ 5.98 billion. During April-September 2015, the company recorded revenues of US\$ 2.87 billion. A substantial part of ITC's agri-business is located in Andhra Pradesh. The company has a unit in Anaparti and Chirala, and a research centre in Rajamundry.

Andhra Pradesh Dairy Development Cooperative Federation (APDDCF)



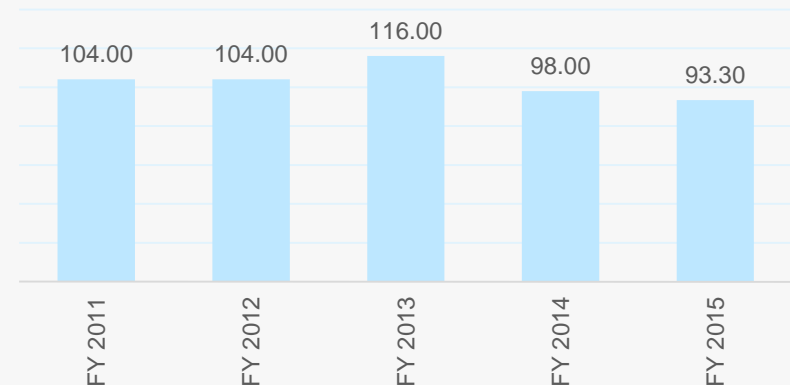
- APDDCF runs 12 dairy plants and manufactures milk products under the Vijaya brand. These plants together have a production capacity of 2,437 thousand litres per day. Products include butter, ultra-high-temperature (UHT) milk, milk powder, ghee, flavoured milk, khoya, kulfi and processed cheese. It is one of the 15 dairy cooperatives operating under the National Dairy Development Board (NDDB). It ensures MSP to the farmers and timely pick up of milk.

KEY INDUSTRIES – TOURISM

- * Andhra Pradesh is known for its pristine beaches, sacred places of worship, lush green forests, spicy cuisine and hospitable people. The state continued to witness increase in domestic tourist arrivals over the last few years.
- * As of August 2015, domestic tourist arrivals in the state were at 93.30 million whereas foreign tourist arrivals stood at 66,333.
- * Most of the tourist destinations in the state are concentrated in Visakhapatnam, Simhachalam, Araku and the beaches of East and West Godavari. Tirupati and Bhadrachalam are major temple destinations attracting a large chunk of travellers. Puttaparthi and Srikalahasti are the upcoming tourist destinations after the bifurcation of the state.
- * During 2014-15, Andhra Pradesh Tourism Department started beach resorts at multiple locations of the state including Baruva, Kalingapatnam (Srikakulam) Kakinada, Ramayapatnam (Prakasam) and Tummalapenta (Nellore).
- * Under budget 2015-16, the Government of Andhra Pradesh announced plans to invest US\$ 54 million for the development of tourism and culture sectors in the state.

- * The Government of Andhra Pradesh proposed plans to establish new tourism projects such as tourism circuits in Krishna, Guntur, Chittoor and Srikakulam districts. In order to boost the tourism sector, the state Government is also catalyzing private sector investment through PPP mode. Bhavani island, close to Vijayawada, is an instance of such investments.

Arrival of domestic tourists in Andhra Pradesh
(in million)



Source: Ministry of Tourism, Government of India; News articles
AP State Portal

KEY INDUSTRIES – PETROLEUM, CHEMICALS AND PETROCHEMICALS ... (1/2)

- * According to the Director General of Hydrocarbons (DGH), Andhra Pradesh has huge oil and natural gas reserves. The state's Krishna-Godavari basin, spread over an area of nearly 52,000 sq km, has a total hydrocarbon resource base of 1,130 million metric tonnes. ONGC accounted for 7.32 million metric tonnes of crude oil reserves in Andhra Pradesh as of March 2015.
- * Andhra Pradesh is the second Indian state, after Gujarat, to enter the oil and gas exploration and production segment through bids for oil and gas blocks under the central Government's New Exploration Licensing Policy (NELP).
- * In February 2014, the DGH has earmarked a stretch of more than 39,000 sq km in Kadapa district in Rayalaseema region as a potential exploration site for natural resources. This region is most likely to be lined up for bidding in the upcoming rounds of NELP.

AP PCPIR total projected investment & employment potential in next 5-7 years

Sector	Proposed investment	Direct employment	Indirect employment
Petroleum & petrochemical sectors	US\$ 35,832.78 million	70,000	105,000
Chemical, pharma & fertilizer sectors	US\$ 8,626.41 million	52,000	78,000
Ancillary industries	US\$ 3,317.85 million	192,000	384,000
Housing & allied infrastructure	US\$ 5,806.24 million	211,000	106,000
External infrastructure	US\$ 3,317.85 million		

Source: Ministry of Petroleum and Natural Gas, News articles, Andhra Pradesh Petroleum, Chemicals and Petrochemicals Investment Region

KEY INDUSTRIES – PETROLEUM, CHEMICALS AND PETROCHEMICALS ... (2/2)

- * In May 2014, the Visakhapatnam-Kakinada Petroleum, Chemical and Petrochemical Investment Region Special Development Authority (VK- PCPIR SDA) has developed and released the final draft master plan and zonal development plans with the land use proposals. The plan has been submitted to the state Government.
- * The PCPIR project would boost refining, petrochemicals and chemical industries and also the manufacturing sectors in the state.
- * With strong presence of petrochemical, petroleum and chemical industries, Visakhapatnam has emerged as an industrial hub in Andhra Pradesh. Below are the chemical, petrochemical companies operating in the state-

- HPCL Oil Refinery (Hindustan Petroleum Corporation Limited)-Vishakha Refinery
- Vishakhapatnam Steel Plant- Rashtriya Ispat Nigam Limited (RINL)
- Hindustan Zinc Limited
- Bharat Heavy Plate and Vessels Ltd (BHPV)
- Hindustan Shipyard Limited
- Coramandel Fertilizers
- NTPC
- Rain Calcining Limited
- Essar Pelletization Plan

Key features of PCPIR- As of October 2015

The projected investments in the PCPIR are estimated to be around US\$ 56.90 billion

Total area 640 sq km; Processing area 270 sq km

The project is said to have an employment generation capacity of 1.19 million

As per the latest update, the total committed investments stood at US\$ 28.97 billion

The petroleum and petrochemical sector accounted for around 28.01 per cent of total committed investment.

Major investors in PCPIR



Source: Andhra Pradesh PCPIR
MMTPA: Million Metric Tonnes Per Annum

KEY INDUSTRIES – MINES AND MINERALS

- * Andhra Pradesh is one of the leading producers of various minerals such as chrysotile asbestos, barytes, mica, felspar, vermiculite, quartz, laterite, silica sand, dolomite and limestone. The state accounts for 94% barytes, 78% Kyanite, 61% ball clay, 70% corundum, 6% diamond, 42% calcite, 41% mica, 26% garnet, 23% ilmenite, 20% limestone and 15% dolomite resources of the country. In 2014-15, of India's 3,318 mines, 441 were located in Andhra Pradesh.
- * Seemandhra is rich in mineral resources which include manganese, limestone, mica, steatite, copper, graphite etc. Manganese ore is located across Nellore, Prakasam, Vizianagaram and Srikakulam, mica is found around Krishna, Nellore, Visakhapatnam etc. whereas limestone is found around Kadapa district. Seemandhra region has abundant reserves of uranium in Tumulapalli village located in Kadapa. According to a study conducted by the Atomic Energy Commission of India, the mine is expected to have the largest reserves of uranium in the world.
- * During 2014-15, the Government of Andhra Pradesh revised the existing sand policy and introduced new sand policy. The purpose of this policy is to enhance the mineral and mining sector of the state. In the budget 2015-16, the Government of Andhra Pradesh announced plans to invest US\$ 4.48 million in the mining sector.
- * The Government of India has started exploration of sizable uranium deposits in YSR district in Andhra Pradesh through M/s. Uranium Corporation India Ltd, a public sector undertaking and plans to set up a processing plant with an estimated production of 6,000 tonnes per day and planned to start operations from 2017.

Minerals	Availability across districts
Manganese ore	Nellore, Prakasam, Vizianagaram and Srikakulam
Mica	Krishna, Nellore, Chittoor, Ananthapur, West Godavari, Visakhapatnam, Guntur, Chittoor, Ananthapur, and West Godavari
Steatite/talc	Ananthapur, Chittoor, Cuddapah and Kurnool
Copper	Cuddapah, Guntur, Kurnool, Nellore and Prakasam
Graphite	East Godavari, West Godavari, Visakhapatnam and Srikakulam

Source: Indian Mineral Scenario – States, Ministry of Mines website, www.mines.nic.in, Ministry of Mines Annual Report 2014-15, State Annual Budget 2015-16

KEY INDUSTRIES – OTHER GROWTH SECTORS ... (1/2)

Leather

- Andhra Pradesh is one of the major producer for hides and skins in India, contributing about 19 million pieces per annum, which accounts for about 10% share in the country's raw material. Majority of the raw material is consumed by states such as Tamil Nadu and West Bengal. Major clusters for leather production are Bhimavaram, Cuddapah, Eluru, Karim Nagar etc.
- Andhra Pradesh houses 450 slaughter houses and 34 large and medium tanneries with total production output of about 40 million square feet.
- The Government provides financial assistance in the form of investment grants to the extent of 30.0 per cent of cost of plant and machinery for small scale industries (SSI) and 20.0 per cent of cost of plant and machinery for other units, subject to a ceiling of US\$ 120,000 for technology upgradation or/and expansion.
- The state Government plans to promote a few more leather clusters across the state for providing basic infrastructure for artisans and small and medium enterprises.
- In July 2015, state Government allotted 485 acres of land to Andhra Pradesh Industrial Infrastructure Corporation (APIIC), for the construction of leather complex in Kothapatnam village in Kota mandal district of Nellore

Gems and Jewellery

- The state produces a wide array of precious and semi-precious stones as well as pearls.
- Gold is mostly available across Anantpur, Chittoor and Kurnool districts of the state.
- Diamond is mostly found at Cuddapah, Anantapur, Kurnool, Krishna, Godavari and Guntur districts.
- In October 2015, the Gems & Jewellery Skill Council of India (GJSCI) signed a memorandum of understanding with Andhra Pradesh State Skill Development Corporation (APSSDC) for the alignment of gems and jewellery training programmes in the state. This is expected to help in overcoming the shortage of skilled manpower as GJSCI plans to train more than 4 million people by the end of 2022.



KEY INDUSTRIES – OTHER GROWTH SECTORS ... (2/2)

Hospitality, leisure and entertainment

- Being a major tourist hub in the country, the state is making rapid strides in the hospitality industry.
- With various corporates planning to have their footprint in the state, it will help in the development of the industry.
- The industry will get a further boost once the central Government finalises the new capital for the state.
- In order to support the growth of the industry, APTDC is planning to implement various projects which include the introduction of cottages, jetties, houseboats in Krishna and Godavari rivers.
- Some of the other projects of the corporation include the Visakhapatnam-Bheemli beach corridor project, the Kalingapatnam temple circuit, a beach resort at Chintapalli in Vizianagaram and a budget hotel at Arasavalli, etc.
- The state Government is in talks to invite Hollywood to set up a film making facility in order to impart technical training.

Steel

- The state also produces steel from its Visakhapatnam Steel Plant.
- The state exports steel products to Japan, Germany, United States, Singapore, Dubai, Australia and various South American countries.
- Apart from the plant, in May, 2014, the Government announced to set up a public sector steel plant (by Steel Authority of India) in Kadapa.
- Production of crude steel from RINL/Vizag Steel Plant increased from 3,128 thousand tonnes in 2011-12 to 3,202 thousand tonnes in 2013-14 and is expected to further increase to 3,290 thousand tonnes by 2015-16.

SINGLE-WINDOW APPROVAL MECHANISM

- * Andhra Pradesh is the first state in the country to have enacted the Industrial Single Window Clearance Act No 17 of 2002. The Act made it compulsory for new industries to register with the single-window to obtain clearances quickly. It also simplified procedures for getting industrial clearances.
- * Committees were constituted at district and state levels to communicate to the applicant the status of their clearances. It has set time slots for issuing clearances and incorporated a provision for deemed approval after the expiry of the time limit.
- * District level committees can clear investments not exceeding US\$ 219,442. State level committees can clear those exceeding US\$ 219,442.
- * Above the district and state level committees is an empowered committee headed by the Chief Secretary of the state Government, who reviews and monitors disposal of applications. Overall, a State Board under the chairmanship of the Chief Minister oversees the progress of the scheme.
- * Post effectiveness of The Andhra Pradesh Single Desk Policy 2015, the number of days required for clearance of application has been reduced to 21 days. The applications would be cleared at single information technology platform to enhance ease in doing business in the state.
- * Violation of the provisions of the Act made either through self-assessment or otherwise would invite a penalty of US\$ 109 in the first instance and US\$ 219 in the second instance.

KEY INVESTMENT PROMOTION OFFICES

Corporations under Industries and Commerce Department

Andhra Pradesh Industrial Development Corporation (APIDC)

Andhra Pradesh Industrial Infrastructure Corporation (APIIC)

Andhra Pradesh Mineral Development Corporation (APMDC)

Andhra Pradesh State Finance Corporation (APSFC)

Andhra Pradesh State Trading Corporation (APSTC)

Andhra Pradesh State Handloom Weavers Co-operative Society Limited (APCO)

Leather Industries Development Corporation of Andhra Pradesh (LIDCAP)

Andhra Pradesh Handicrafts Development Corporation (APHDC)

Andhra Pradesh Khadi & Village Industries Board (KVIB)

Andhra Pradesh Urban Financial Infrastructure Development Corporation

Directorate of Sugar and Commissionerate of Cane

Directorate of Mines and Geology

Commissionerate of Industries



CONTACT LIST

Agency	Contact information
<p>Andhra Pradesh Industrial Infrastructure Corporation</p>	<p>4th Floor, Parisrama Bhavan Fateh Maidan Road, Basheerbagh Hyderabad - 500 004 Phone: 91-40-2323 7622, 2323 7623 Fax: 91-40-2323 3251, 2323 1459 E-mail: hyd@apiic.in Website: www.andhra.apiic.in</p>
<p>Department of Industries and Commerce</p>	<p>Industries and Commerce Department 2nd Floor, D Block, Room No-348A Secretariat Hyderabad - 500022 Phone: 91-040-23454449 Fax: 91-040-23452985 E-mail: secy_inds@ap.gov.in Website: http://industriesportal.apcgg.gov.in/</p>



KEY APPROVALS REQUIRED ... (1/4)

S No	Approvals and clearances required	Respective departments of state	Estimated time
1	Registration, Industrial Entrepreneurs Memorandum (IEM), Industrial Licenses	Registrar of Firms	7 days
2	Allotment of Land/Shed in Industrial Estates or Industrial Areas	Andhra Pradesh Industrial Development Corporation	7 days for up to 1,000 sq m 21 days for above 1,000 sq m
3	Acquisition and alienation of Government lands	Chief Commissioner of Land Administration (CCLA)	45 days
4	Building/Site Permission /Approval/License from Municipality/ UDA (Urban Development Authority) DT & CP (Directorate of Town & Country Planning)	Department of Municipal Administration & Urban Development	7 days
5	Building /Site Permission from Gram Panchayat	Department of Panchayati Raj & Rural Development	15 days / Deemed
6	Approval of change of land use for Industrial purpose	Land Administration Department of Revenue	If in Master Plan - 10 days
			If not in Master Plan – 21 days

KEY APPROVALS REQUIRED ... (2/4)

S No	Approvals and clearances required	Respective departments of state	Estimated time
7	Consent for establishment under Pollution Control	AP Pollution Control Board	Green
			Orange
			Red
8	Consent for operation under Pollution Control	AP Pollution Control Board	Green
			Orange
			Red
			Authorization of units handling hazardous wastes
9	No-Objection Certificate for Fire Safety	Directorate of Fire Services Department of Home	15 days
10	Permission for Establishment of Distillery	Prohibition & Excise Department of Revenue	30 days
11	Licence for possession and use of Rectified Spirit		21 days
12	Licence for possession and use of Denatured Spirit		21 days
13	VAT/CST registration	Commercial Tax Department of Revenue	3 days

KEY APPROVALS REQUIRED ... (3/4)

S No	Approvals and clearances required	Respective departments of state	Estimated time
14	Power feasibility	DISCOM-Department of Energy	7 days
15	Power connection		To be based on the length of the HT line
16	Approval of factory plans	Directorate of Factories Department of Labor Employment Training and Factories	7 days
17	Factory license	Directorate of Factories-Department of Labor Employment Training and Factories	7 days / Deemed for Registration only
18	Approval for water supply from ULB s-MA & UD Department	Department of Municipal Administration & Urban Department	7 days
19	Water connection		21 days
20	Permission to draw water from river/public tanks, Irrigation & CAD Department Permission to dig new wells from Ground Water Department	Irrigation & CAD Department	15 days

Source: Commissionerate of Industries, Government of Andhra Pradesh

KEY APPROVALS REQUIRED ... (4/4)

S No	Approvals and clearances required	Respective departments of state	Estimated time
21	License for manufacture of ayurvedic, homeo, siddha, unani	AYUSH-Department of Health, Medical & Family Welfare	15 days
22	License for manufacture of bulk drugs / formulations / cosmetics	Drug Control Administration Department of Health, Medical & Family Welfare	15 days
23	Registration of partnership firms	Registration & Stamps Department of Revenue	3 days
24	Registration under professional tax	Commercial Tax Department of Revenue	Spot approval
25	Registration of shops & establishments	Commissionerate of Labor - Department of Labor Employment Training and Factories	Spot approval
26	Boiler registration	Directorate of Boilers Department of Labor Employment Training and Factories	15 days
27	Registration of plastic manufacturers / recyclers	AP Pollution Control Board	15 days
28	License for storage of petroleum, diesel and Naptha	District Collector/ Civil Supplies Department	15 days



COST OF DOING BUSINESS IN ANDHRA PRADESH

Parameter	Cost estimate (as per 2014-15)
Land price (US\$ per sq m)	19.8 to 127.6
Labour cost (minimum wages per day)	US\$ 4.12 to US\$ 7.44
Commercial lease rent (US cents per sq ft per month)	15.2 to 112.2
Electricity (US cents per kWh)	Domestic: 2.40 to 14.73 Commercial: 9.48 to 19.39 Industrial: 8.14 to 11.87 Cottage Industries: 6.60
Residential rent (US cents per sq ft per month)	4.7 to 29.4
Five-star hotel room (US\$ per night)	60 to 100
Water cost (US\$)	Industrial (Visakhapatnam): 0.37 per 1,000 litres *Residential: 2.58 to 3.68 litres per annum from Household Service Connections
Computer Aided Registration of Deeds (CARD)	The system has simplified and expedited the otherwise cumbersome registration process, as a result time taken for the process was reduced to a single day from 17 days earlier

Source: Vijayawada Municipal Corporation, Visakhapatnam Industrial Water Supply Company, Property Sites, News articles, Travel sites, PwC report, Andhra Pradesh State Electricity Board.

STATE ACTS & POLICIES ... (5/5)

Andhra Pradesh Solar Power Policy 2015

Objectives

- To aid the development of solar power projects in the state and attract new investments for capacity addition of 5,000 MW over next five years
- NREDCAP would act as the nodal agency and responsible for capacity allotment

[Read more](#)

Industrial Development Policy 2015-2020

Objective

- To ensure sustainable & inclusive industrial growth
- To be among the Top 3 states in terms of industrial investments by 2022 and be the most preferred logistics hub and India's gateway to East and Southeast Asia by 2029.
- To enhance the quantum and quality of skilled manpower and create significant employment opportunities

[Read more](#)

Andhra Pradesh Wind Power Policy 2015

Objective

- The new policy would replace the existing policy in order to attract new investments and achieve 4,000 MW capacity addition through wind power projects in the state
- NREDCAP would act as the nodal agency and would be responsible for capacity allotment of up to 40 MW

[Read more](#)



STATE ACTS & POLICIES ... (4/5)

Textile & Apparel Policy 2015-2020

Objectives

- To develop and promote textile and apparel industry in the state by focusing on spinning, weaving, processing and garmenting units
- To create job opportunities for workers and weavers

[Read more](#)

Automobile and Auto-Components Policy 2015-2020

Objective

- To provide a special focus on Automobile Industry by the provision of subsidies and reimbursements on CST, VAT/SGST. The development of Industrial Corridors(VCIC/CBIC) by providing excellent port logistics and infrastructure has been highlighted in the policy.
- To attract high investments in the state and improving the employment status.

[Read more](#)

Food Processing Policy 2015-2020

Objective

- To attract investments worth ~US\$ 757 million by the end of 2020 in order to make the state as one of the most preferred destinations for food processing industries
- Create 50,000 job opportunities in the state by 2020

[Read more](#)



STATE ACTS & POLICIES ... (1/5)

Andhra Pradesh Single Desk Policy 2015-2020

Objective

- To create a conducive ecosystem to provide all clearances required to setup industry within 21 working days.
- To provide spot and deemed approvals based on self-certification and to provide parallel processing of streamlined processes

[Read more](#)

New Tourism Policy-2015-20

Objective

- To attract investments worth ~US\$ 1.5 billion by the end of 2020 through projects under the public-private participation (PPP) mode
- Create 500,000 job opportunities in the state by 2020

[Read more](#)

Biotechnology Policy - 2015-2020

- To attract investments worth ~US\$ 908 million by the end of 2020 and support the state to emerge as most preferred destination for biotech investments
- Create 5,000 job opportunities in the state by 2020

[Read more](#)



STATE ACTS & POLICIES ... (3/5)

Electronic Hardware Policy 2012-2017

Objective

- To provide special incentives and facilities for the electronic hardware sector in line with the present ICT policy. The policy would cover areas such as industrial electronics, communication & broadcast equipment, computers & peripherals, and strategic electronics & components (semiconductors, solar & displays).

[Read more](#)

Innovation & Start-up Policy 2014-2020

Objective

- To create a world class 'technology start-up ecosystem' by fostering 'entrepreneurship and a culture of innovation' which contributes to increased knowledge, wealth and employment in our society.

[Read more](#)



STATE ACTS & POLICIES ... (2/5)

Information and Communications Technology (ICT) Policy 2010-15

Objective

To make Andhra Pradesh one of the fore runners in the IT sector in the country The objective would be achieved through the following initiatives:

- Provision of congenial, industry friendly and proactive climate for IT companies to locate, grow and sustain their operations in a most competitive and hassle-free environment.
- Creation of employment opportunities for the educated youth of all sections of the society across regions.
- Achieving higher levels of exports, resulting in enhanced productivity and augmentation of GSDP
- To spread IT to every nook and corner of the state.
- Leverage IT as a tool for the socioeconomic development of the state.

[Read more](#)

Industrial Investment Promotion Policy (IIPP) 2010-2015

Objective

- To build a strong and vibrant industrial economy that spins off large capital formation in the state and advances inclusive development of all sections of the population and industry that creates increasing employment opportunities, and raises wage incomes to higher levels through skill upgradation to improve the quality of life of citizens of the state.

[Read more](#)



CONFERENCES/SUMMITS FOR 2015-16

Upcoming Conferences	Venue of Conference	Date of Conference
Partnership Summit 2016	Visakhapatnam	January 10,11 & 12, 2016
SAIRAP-International Conference on Current Research in Electronics, Electrical and Instrumentation Engineering(ICEEIE-16)	Tirupati	January 10, 2016
NIER-International Conferences on Electronics, Mechanical and Mechatronics(ICEMEM-16)	Visakhapatnam	January 17, 2016
NIER-International Conference on Current Research in Engineering and Technology(ICET-16)	Tirupati	January 31, 2016
6th IEEE INTERNATIONAL ADVANCE COMPUTING CONFERENCE	Bhimavaram	February 27, 2016
International Conference on Advances in computing Logic, Technology and Sciences	Ananthapur	March 11, 2016

Source: India Conferences Alerts



Average exchange rates

Year	INR equivalent of one US\$
2004-05	44.81
2005-06	44.14
2006-07	45.14
2007-08	40.27
2008-09	46.14
2009-10	47.42
2010-11	45.62
2011-12	46.88
2012-13	54.31
2013-14	60.28
2014-15	60.28
2015-16E	61.06

Source: Reserve Bank of India



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