

ANDHRA PRADESH

THE RICE GRANARY OF INDIA



OCTOBER 2016

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EXECUTIVE SUMMARY

Largest exporter of marine products

- Andhra Pradesh accounts for a major share in the overall exports of seafood products from India, in value terms. Andhra Pradesh ranks first in prawn and fish production in the country and fourth in production of marine fisheries.

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 along with large parcels of land for expansion, etc. Jawaharlal Nehru Pharma City (JV between Ramky Group and Government of Andhra Pradesh) has been set up for the benefit of manufacturers of bulk drugs, active pharmaceutical ingredients, and intermediates.
- Out of the 19 SEZs in Andhra Pradesh, 4 are pharmaceutical SEZs. Exports of pharmaceuticals and drugs as well as allied industries accounted for 27.64% of the total exports from the state during 2015-16 (from April 2015- September 2015).

National Investment and Manufacturing Zones (NIMZ)

- As per budget 2016-17, the Government of India announced plans of initiating a National Investment and Manufacturing Zone (NIMZ) in Prakasam district, which would be set up in an area of 14,231 acres and help in generating 5 lakh jobs over the next 10 years.

Tourist destinations

- Total tourist arrivals in Andhra Pradesh witnessed an increase of 30% year-on-year to reach 121.8 million in 2015. Under Budget 2016-17, the Government of Andhra Pradesh announced an allocation of US\$ 34.79 million for the promotion of culture & tourism in the state. The state government is expecting to witness 40% growth in tourist arrivals during 2016-17.

Source: The Marine Products Export Development Authority (MPEDA), Ministry of Tourism, Government of India, State Budget 2016-17, AP State Portal, News Article

MISSION & VISION 2029

- In order to fulfil the aim of making Andhra Pradesh a most developed state by 2029 in the country, the Government of Andhra Pradesh has launched 7 Missions, 5 Campaigns and 5 Grids in the state that will focus on boosting the development of various sectors and safeguarding the welfare of the state's people. According to the budget document of the Government of Andhra Pradesh, the purpose behind the approach of these missions 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.
- 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 aims to secure one of the top three positions in India by 2022 and secure the number one position by 2029. The state government is also targeting to reflect Andhra Pradesh as the world's best investment destination by 2050.
- As per budget 2016-17, the mining sector is one of the cornerstones of the development strategy for the pursuit of Vision 2029.
- 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 2016-17

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

April 2016

Installed
power
capacity:
15,311 MW

High economic growth

- GSDP expanded at a compound annual growth rate (CAGR) of 10.67 per cent between 2004-05 and 2015-16 to US\$ 92.2 billion.
- During 2015-16, the Gross Value Added by Industrial sector, at current prices, was recorded to be US\$ 20.11 billion. 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 fourth in terms of port traffic. Up to December 2015, the cargo handled at the port was 42.25 million tonnes.
- Vishakhapatnam Port Trust has set a target of handling 60 million tonnes of cargo during 2016-17.

2020E

Installed
power
capacity:
~20,000
MW

Advantage
Andhra
Pradesh

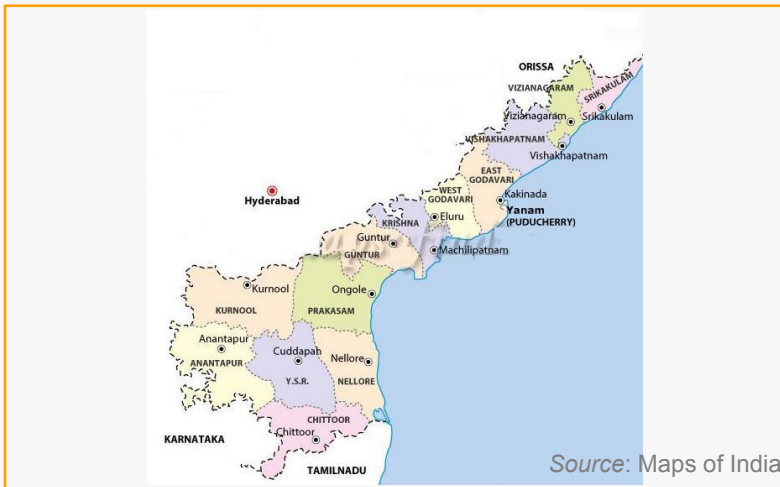
Adequate power generation capacity

- Most of the coal-based power plants are located in the coastal regions due to their connectivity to the ports.
- The Government of Andhra Pradesh delivers 24X7 reliable and quality power across the industrial commercial and domestic sectors of the state.
- During 2016-17, the state government is planning to supplement an additional capacity of 619 MW of solar power in the state.

Growth in Exports

- The state recorded exports of US\$ 2.9 billion during the first half of 2015-16.
- 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.

ANDHRA PRADESH FACT FILE



Source: Maps of India

- Andhra Pradesh is located in the southern peninsula of India and has a coast line of 974 km. It is considered to be among the top ten largest states in the country.
- 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.
- Out of various districts in the state, Krishna district has the highest population density at 518 persons per sq. km.

Parameters	Andhra Pradesh
Capital	Hyderabad ¹
Geographical area (sq km)	160,205
Administrative districts (No)	13
Population density (persons per sq km)	304
Total population (million)	49.58
Male population (million)	24.83
Female population (million)	24.75
Sex ratio (females per 1,000 males)	997
Literacy rate (%)	67.4

Source: Andhra Pradesh State Portal, Andhra Pradesh Socio-Economic Survey 2015-16

¹For ten years

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

Parameter	Andhra Pradesh	All states	Source
Economy	2015-16	2015-16	
GSDP as a percentage of all states' GSDP	4.45	100.0	Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
GSDP growth rate (%)	13.22	8.64	Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
Per capita GSDP (US\$)	1,859	1,546	Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
Physical Infrastructure			
Installed power capacity (MW)	15,762.94	304,505.75	Central Electricity Authority, as of June 2016
Wireless subscribers (No)	73,912,896	1,033,157,014	Telecom Regulatory Authority of India, as of May 2016
Internet subscribers (No)	25,380,000	334,340,000	Telecom Regulatory Authority of India, as of January 2016
National Highway length (km)	5,231.74	100,087	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)

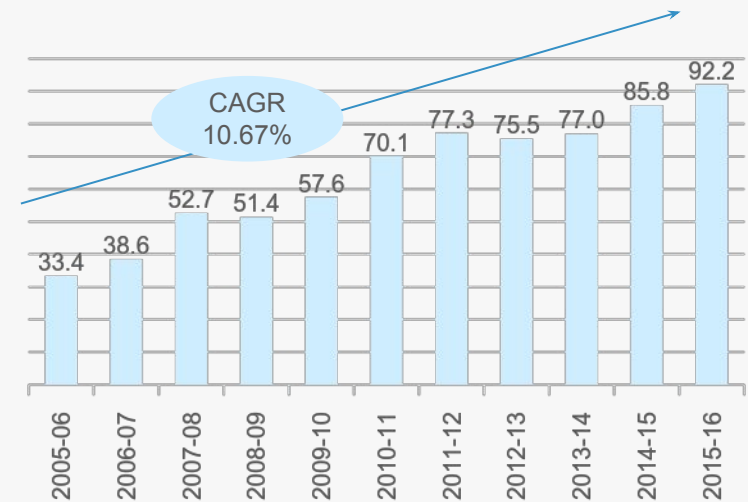
Parameter	Andhra Pradesh	All states	Source
Social Indicators			
Literacy rate (%)	67.4	73.0	Census 2011
Birth rate (per 1,000 population)	17.6	21.6	SRS Bulletin, 2014
Investment			
FDI equity inflows (US\$ billion)	11.57	288.51	Department of Industrial Policy & Promotion, April 2000 to March 2016
Industrial Infrastructure			
PPP projects completed & operational (No)	41	1,246	Department of Economic Affairs, Ministry of Finance, Government of India, July 2016
Operational SEZs (No)	19	186	Department of Commerce, Ministry of Commerce & Industry, July 2016

^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\$ 92.17 billion over 2015-16.
- Between 2005-06 and 2015-16, the average annual GSDP grew at a CAGR of 10.67%.
- GSDP of the agriculture sector@ in Andhra Pradesh stood at US\$ 9 billion in 2004-05 which increased to US\$ 25.06 billion in 2015-16. 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\$ 20.11 billion in 2015-16. 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)

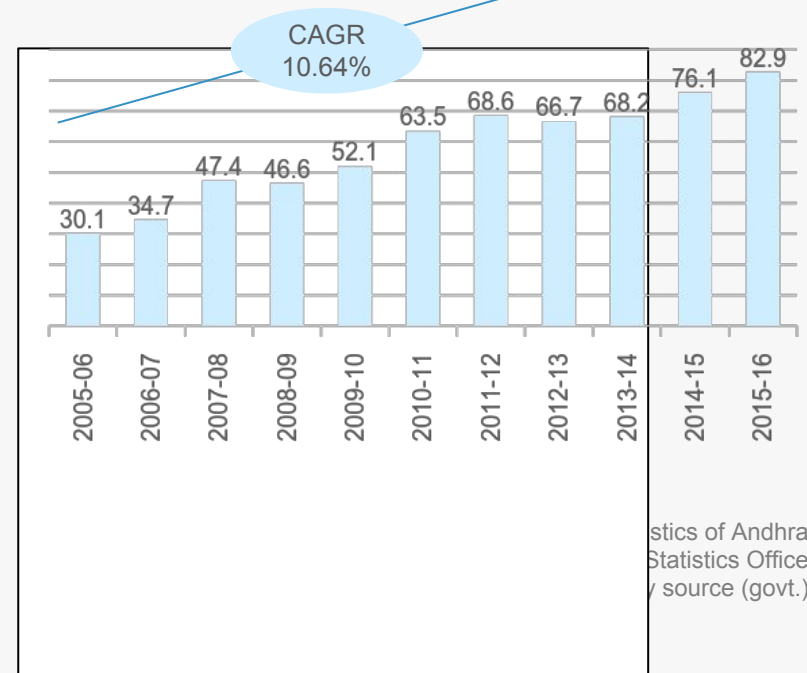


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
GSDP* - available on secondary source (govt.)
GSDP of sector@ - calculated using GSDP * %Sectoral Calculation

ECONOMIC SNAPSHOT – NSDP

- At current prices, Andhra Pradesh's net state domestic product (NSDP[#]) was estimated at US\$ 82.86 billion during 2015-16.
- Between 2005-06 and 2015-16, the average annual NSDP grew at a CAGR of about 10.64%.

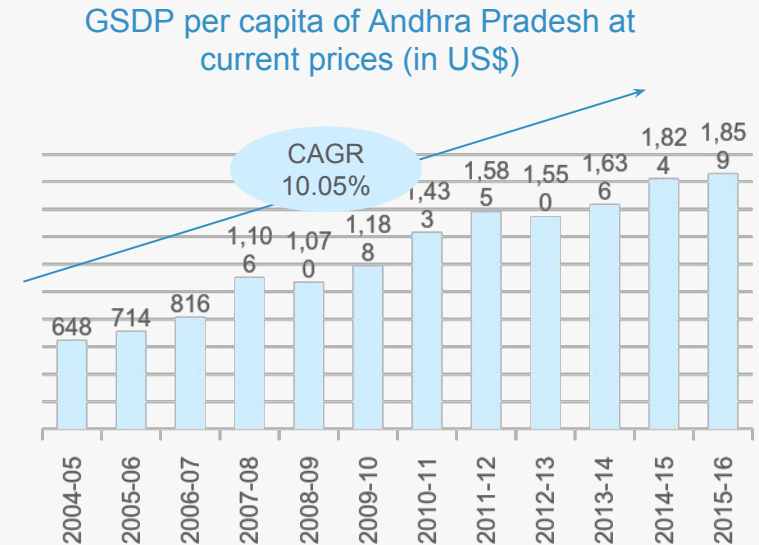
NSDP of Andhra Pradesh at current prices
(in US\$ billion)



Statistics of Andhra
Statistics Office
/ source (govt.)

ECONOMIC SNAPSHOT – PER CAPITA GSDP

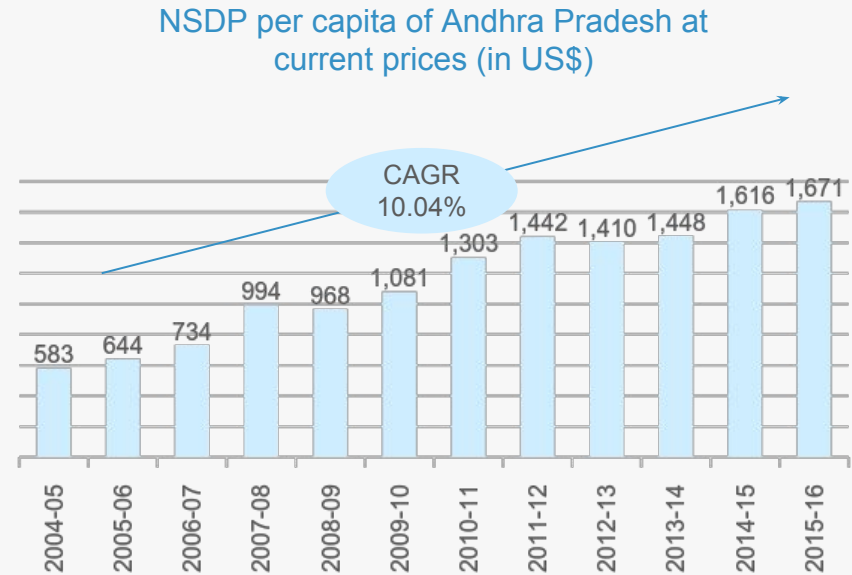
- Per Capita GSDP[^] of Andhra Pradesh increased to US\$ 1,859 during 2015-16 from US\$ 647.7 over 2004-05.
- Average per capita GSDP in the state grew at a CAGR of 10.05 per cent between 2004-05 and 2015-16.



Source: Directorate of Economics & Statistics of Andhra Pradesh,
Central Statistics Office
Per Capita GSDP[^] - calculated using GSDP (in million
US\$)/Population (in million)

ECONOMIC SNAPSHOT – PER CAPITA NSDP

- Andhra Pradesh's per capita NSDP[&] grew from US\$ 583.4 during 2004-05 to US\$ 1,671.40 over 2015-16.
- Average per capita NSDP increased at a CAGR of 10.04 per cent between 2004-05 and 2015-16.

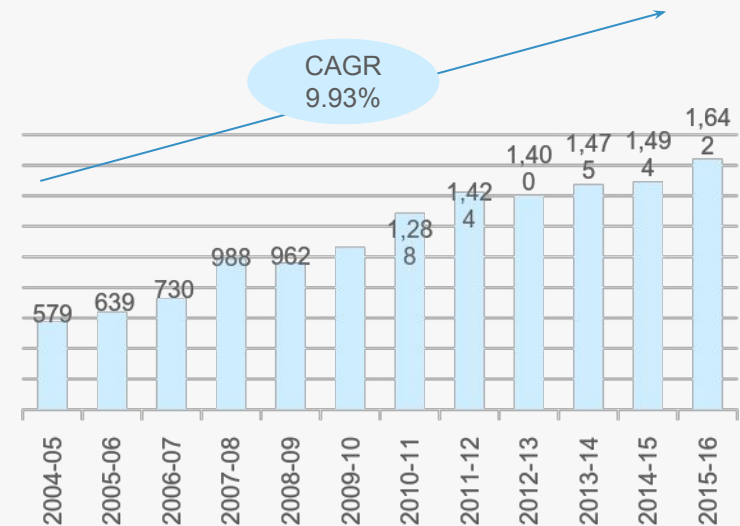


Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
per capita NSDP[&] -calculated using NSDP million USD/Population in million

ECONOMIC SNAPSHOT – PER CAPITA INCOME

- Per capita income[€] of Andhra Pradesh per grew from US\$ 579.30 during 2004-05 to US\$ 1,642.71 over 2015-16.
- Average per capita income in the state increased at a CAGR of 9.93% between 2004-05 and 2015-16.

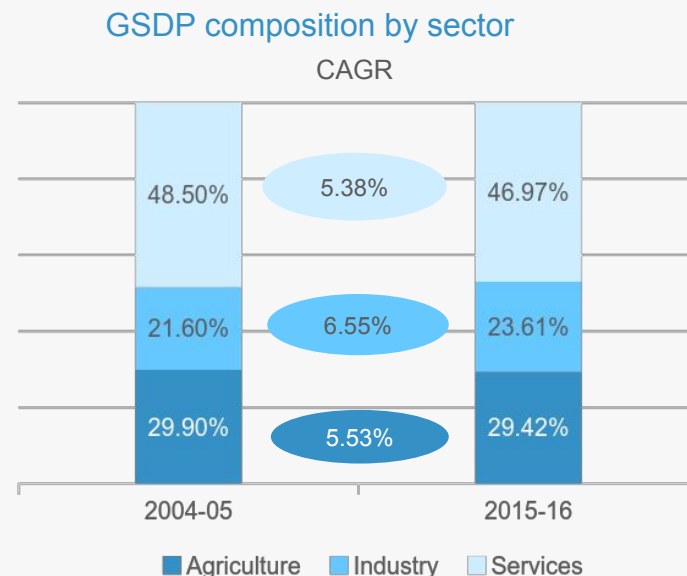
Per capita Income of Andhra Pradesh at current prices (in US\$)



Source: Directorate of Economics & Statistics of Andhra Pradesh, Central Statistics Office
Per capita income[€] -available on secondary source (govt.)

ECONOMIC SNAPSHOT – PERCENTAGE DISTRIBUTION OF GSDP

- During 2015-16, the services^u sector accounted for a share of 46.97 per cent in the total GSDP of the state, followed by agriculture^u (29.42 per cent) and industry^u (23.61 per cent).
- The industry sector grew the fastest at a CAGR of 6.55 per cent in 2015-16, followed by agriculture (CAGR of 5.53 per cent) and services (CAGR of 5.38 per cent) between 2004-05 and 2015-16.



Source: Andhra Pradesh state portal
Sector-wise %share of GSDP^u -available on secondary source (govt.)

ECONOMIC SNAPSHOT – AGRICULTURAL SCENARIO

- During 2015-16, the total area under production of food grains in Andhra Pradesh was 4.13 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 food grains in the state, during 2015-16 stood at 13.75 million tonnes. The production of fruits was recorded at 9.678 million tonnes and pulses stood at 1.26 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% of the 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 2015-16, maize exports from the state stood at 7.82 million metric tonnes. During the same period, 1.38 million metric tonnes of pulses were exported from the state.

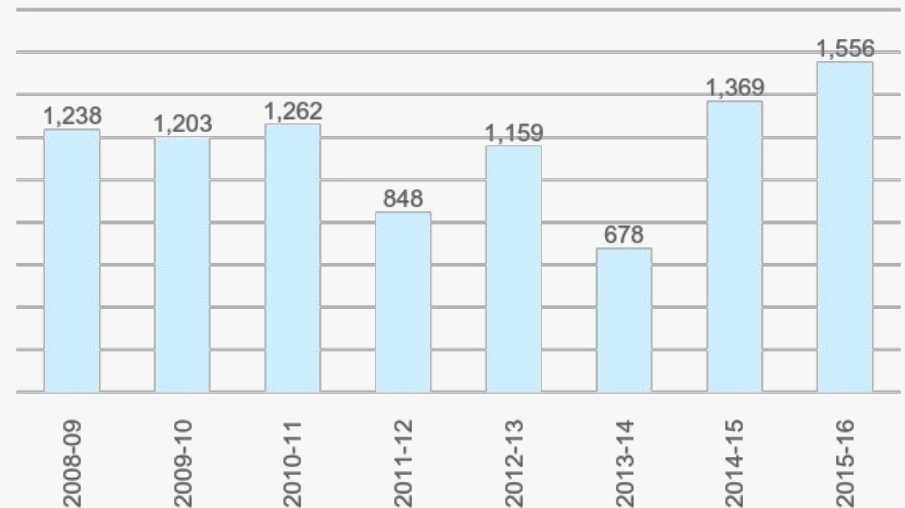
Crop	Area under production '000 Ha (2015-16)	Crop production '000 tonnes (2015-16)
Rice	2,772 ⁽¹⁾	6,940
Maize	235	1,533
Cereals	2,388 ⁽¹⁾	8,124 ⁽¹⁾
Pulses	1,548	1,265
Total food grains	4,130	13,756
Groundnut	767	788
Oilseeds	1,013	2,675
Vegetables	2,48	5,695
Fruits	5,61	9,678
Cotton	821 ⁽¹⁾	2,555 ⁽¹⁾
Fodder crops	66.79 ⁽¹⁾	NA ⁽¹⁾

Source: Andhra Pradesh State Portal, Directorate General of Commercial Intelligence and Statistics, Directorate of Economics and Statistics, AP
NA – Not Available,
⁽¹⁾2014-15.

ECONOMIC SNAPSHOT – FDI INFLOWS & INVESTMENTS

- According to the Department of Industrial Policy & Promotion (DIPP), cumulative FDI inflows in Andhra Pradesh¹ from April 2000 to March 2016 totaled to US\$ 11.57 billion.
- FDI inflows in Andhra Pradesh during April 2015 to March 2016 totaled to US\$ 1,556 million. In addition, the FDI inflows during April 2014 to June 2015 were recorded at US\$ 678 million.
- Andhra Pradesh contributed around 0.47 per cent share to the cumulative FDI inflows of India during 2015-16.

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



Source: Department of Industrial Policy & Promotion

¹Including Telangana

ECONOMIC SNAPSHOT – IRRIGATION... (1/2)

- Irrigation projects across Andhra Pradesh are spread over an area of 40.87 lakh hectares under major, medium and minor irrigation schemes. 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). As per Budget 2016-17, the state government has allocated US\$ 1.09 billion for major and minor irrigation sector schemes in the state.
- During 2015-16 to 2017-18, the Government of Andhra Pradesh is planning to complete a total of seven projects in the state, which include Thotapalli Barrage project, Galeru Nagari Sujala Sravanthi Phase I, Pattiseema Lift Irrigation Scheme, BRR Vamsadhara Project (Stage II- Phase II), Gundlakamma Reservoir, Handri Neeva Sujala Sravanthi Project and Poola Subbaiah Veligonda Project. As per the budget 2016-17, the Government of Andhra Pradesh is dedicated towards the closure of seven irrigation projects in the provided framework for delivering the extraordinary irrigation services to the drought areas of Vizianagaram and Srikakulam.
- With a funding pattern of 60:40 between the central government and state government, micro irrigation is being executed under PMKSY (Pradhan Mantri Krishi Sinchayee Yojana) from 2015-16 onwards. Various 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.

Water utilisation for irrigation, 2015-16 (in TMC)		
River basin	Existing projects	Ongoing projects
Krishna river	512.04	150.50
Godavari river	308.70	431.69
Pennar river	130.53	58.12
Vamsadhara	28.60	12.14
Other rivers	322.83	32.08
Total	1,302.70	684.53

Source: Andhra Pradesh Budget 2016-17, Socio Economic Survey 2015-16

ECONOMIC SNAPSHOT – IRRIGATION... (2/2)

- As per the state budget 2016-17, the Government of Andhra Pradesh has enhanced the consumption of Krishna waters and has also implemented the Patiseema Lift Irrigation project in the state within less than 6 months to connect the water resources existing in Godavari with the districts of Rayalaseema. The project will supply 8.6 TMC of the water from Godavari to the Krishna delta to enhance the irrigation across the region.
- As per state budget 2016-17, the state government has increased the plan allocation for minor irrigation sector by 23%, which would be supplemented with additional financing from various national organisations such as Mahatma Gandhi Rural Employment Guarantee Scheme, external financing, etc. The state government has also pursued financing from international organisations which include World Bank and Japan International Cooperation Agency, for the recovery of integrated command area development as well as medium and minor irrigation systems.

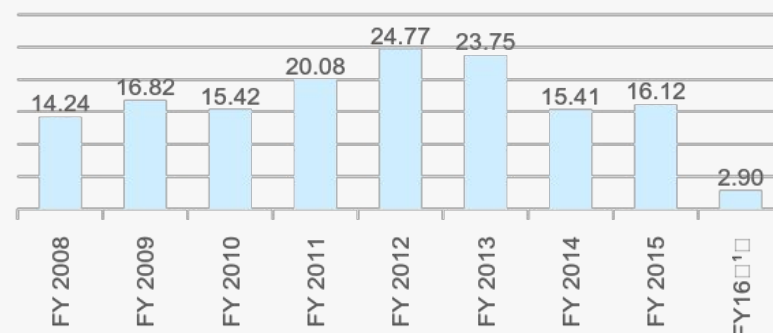
Source: Andhra Pradesh Budget 2016-17, Socio Economic Survey 2015-16



ECONOMIC SNAPSHOT – EXPORTS

- Exports from Visakhapatnam port, one of 13 major ports in India, stood at 2.90 million tonnes during the first half of 2015-16. The port has also emerged as a leading port in marine exports in India. It has 24 berths and its total capacity is 93.83 MTPA. Up to December 2015, the port handled 42.25 million tonnes of cargo traffic.
- Exports from the state were recorded at US\$ 2.9 billion during the first half of 2015-16. 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 2015-16
FY16⁽¹⁾: first half of 2015-16

Exports of agri commodities from Andhra Pradesh (US\$ thousand)

Segment	2013-14	2014-15	2015-16
Floriculture	1,143.05	2,017.67	2,179.96
Fruits & vegetable seeds	8,127.82	11,291.70	13,293.61
Fresh onions	431.16	260.40	100.82
Fresh mangoes	1,268.72	1,267.40	1,934.00
Fresh grapes	172.03	86.94	Not available

Source: APEDA

ANNUAL BUDGET 2016-17

- The Government of Andhra Pradesh proposed a budget of US\$ 20.72 billion for 2016-17. The budget allocation across some of the major sectors is given below:

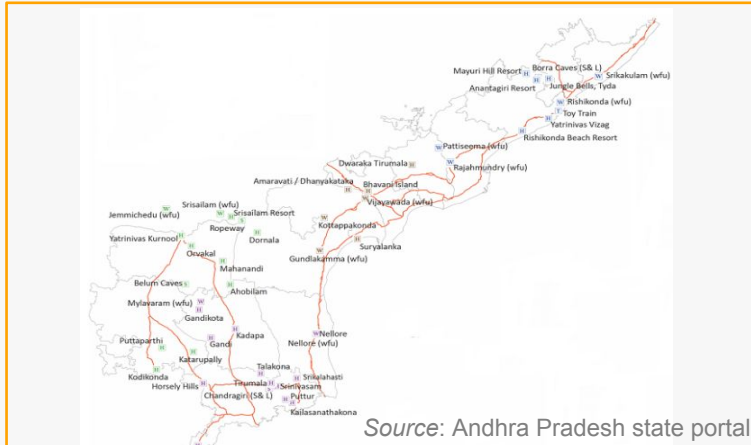
State annual budget (US\$ million)	
Commodity	2016-17
Irrigation	1,096.85
Social welfare	363.92
Tribal welfare	149.70
Scheduled Caste Sub-Plan	968.80
Minorities welfare	38.19
Integrated Child Development Scheme	117.93
Welfare of disabled & senior citizens	11.81
Handlooms and textiles	125.84
Housing	173.05
Health sector	932.44
School education	2,673.79
Technical, collegiate and higher education.	404.00

State annual budget (US\$ million)	
Commodity	2016-17
Panchayati raj	682.50
Rural water supply	182.65
Roads & buildings	486.44
Energy	614.16
Industries sector	149.06
Skill development, Entrepreneurship, and Innovation	57.49
Information technology and Communications	55.02
Youth services and Sports	32.90
Tourism	34.79

Source: State Budget 2016-17

PHYSICAL INFRASTRUCTURE – ROADS

Road network across the state



Source: Andhra Pradesh state portal

- As of December 2015, the state was connected via 6,485 km of State Highways, 19,807 km of Major District Roads and 15,664 km of Rural Roads.
- The Government of Andhra Pradesh has abstracted a road grid in the state which will connect all the gram panchayats to their Mandal headquarters by tall weather roads. These Mandal headquarters will be connected to their district headquarters by two lane roads whereas these two lane roads will be connected to one another via four-lane roads.
- After joining MGNREGS, around 2,704 kilometres of roads were constructed in the state using special grants during 2015-16.

- The union government, in coordination with the state government, announced plans to develop roads from Kurnool and Anantapuram to Amravarti as National Highways. There are a total of 24 national highways in the state with a total length of 5,231 km.
- Under Andhra Pradesh Petroleum, Chemicals and Petrochemicals Investment Region (AP PCPIR), construction of 40 km of national highways, 42 km of state highways and nearly 75 km of major districts roads is under planning and is expected to be completed over the next five years.
- During 2016-17, the state government allocated US\$ 486.44 million for development of road network in the state.

Road Surface	Road length (km) As of December 2015
Cement Concrete	1,463.89
Black top	43,735.71
Non BT	1,670.00
Total roads	46,869.60

Source: Andhra Pradesh Roads and Building Department

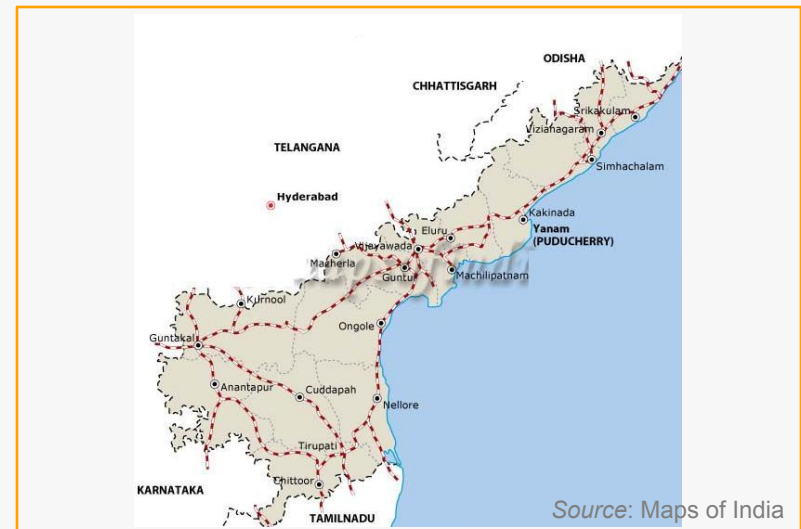
For updated information, please visit www.ibef.org **23**

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 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 completed by December 2018.

Rail network across the state

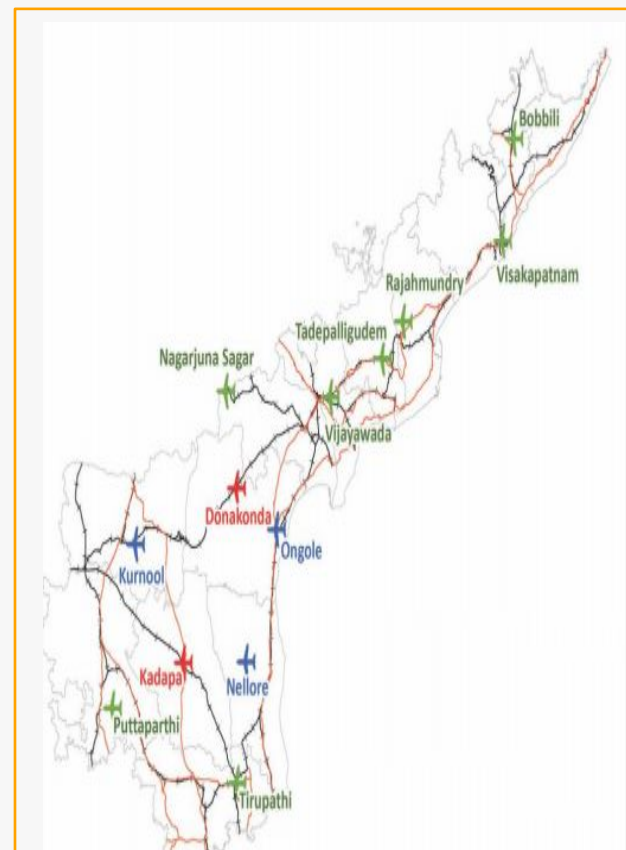


PHYSICAL INFRASTRUCTURE – AIRPORTS...(1/2)

- 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.
- As per budget 2016-17, the expansion projects of airports in Vijayawada and Rajamahendravaram are nearing completion at a very rapid speed. Further, the construction of five green-field airports at Bhogapuram, Dagadarthi, Orvakallu, Nagarjunasagar and Donakonda is being planned by the state government in the coming years.

Airport statistics	March 2016	March 2015
Passenger traffic- Trichy airport	1,08,765	1,00,012
Passenger traffic-Visakhapatnam airport	1,75,943	1,01,950
Aircraft movement- Trichy airport	896	874
Aircraft movement-Visakhapatnam airport	1,550	1214
Freight-Trichy airport	581 tonnes	582 tonnes
Freight-Visakhapatnam airport	764 tonnes	80 tonnes

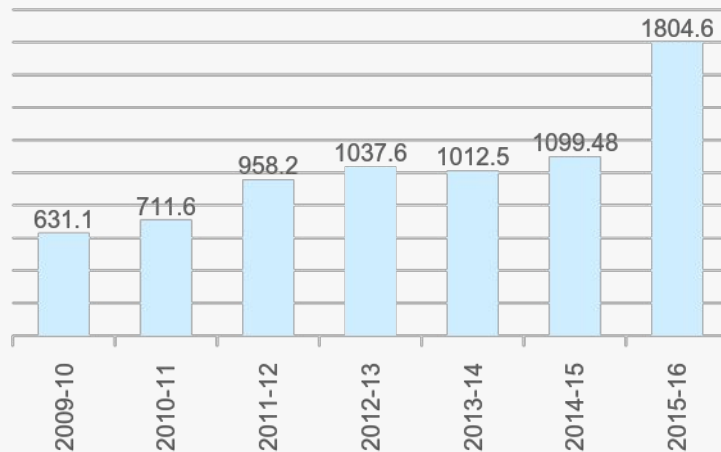
Airports across the state



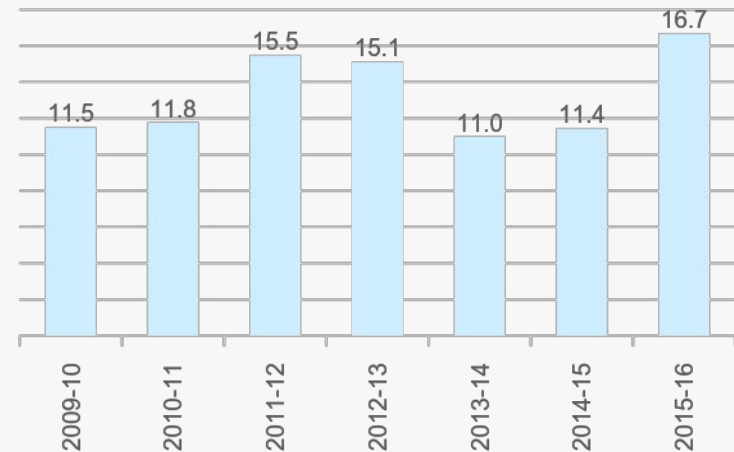
Source: Andhra Pradesh state portal, Airports Authority of India

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

Vishakhapatnam airport passenger traffic
(in '000s)



Vishakhapatnam aircraft movement
(in '000s)



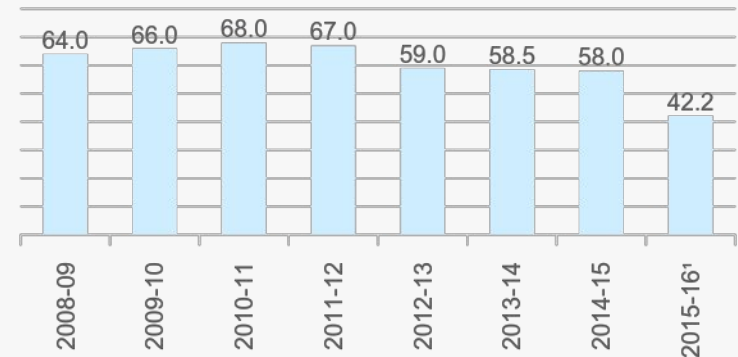
Fiscal Year: April-March
Source: Airports Authority of India

- During FY 2015-16, Visakhapatnam airport handled 2,960 tonnes of total freight. Further, the Government of Andhra Pradesh has proposed to establish greenfield airports in Bhogapuram, Vizianagaram Districts. The state government is also planning to set up no-frills airports in Nagarjuna sagar, Guntur District and Donakonda, Prakasam districts.

PHYSICAL INFRASTRUCTURE – PORTS

- Andhra Pradesh has a 974-km long coastline and the second highest cargo handling port.
- The Visakhapatnam port ranks fourth in terms of port traffic. Up to December 2015, the cargo traffic handled at the port was 42.25 million tonnes. However, Vishakhapatnam Port Trust has set a target of handling 60 million tonnes of cargo traffic during 2016-17.
- 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.
- The state government is planning to construct new ports, namely Bhavanapadu and Machilipatnam under the public-private participation (PPP) during 2016-17. Further, the government announced its plans to set up 3 multi-modal logistics parks at Krishnapatnam, Kakinada and Vishakhapatnam.

Visakhapatnam port traffic (million tonnes)



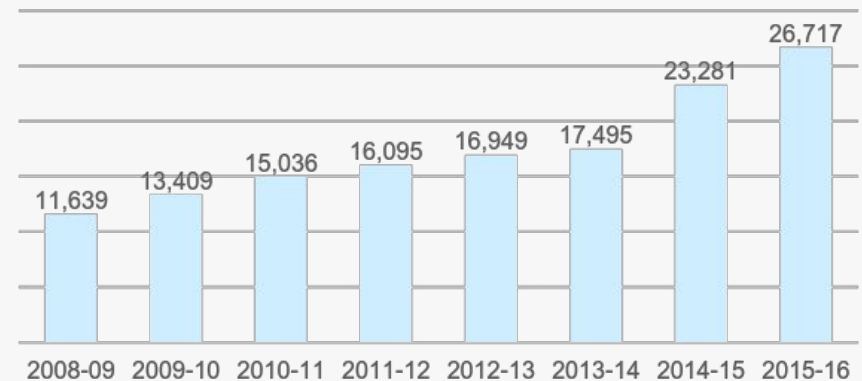
Source: Indian Ports Association
*April-December, 2015

- As per Budget 2016-17, under the supervision of India Inland Waterways Authority, the Government of Andhra Pradesh is proposing to take up the work over National Waterway 4 project in coming years.
- During 2015-16, various projects were taken up for implementation by the Visakhapatnam port which included the construction of phase-II of port connectivity road under Sagarmala, interchanging of 2 harbour mobile cranes on the basis of license, etc.
- Further, during 2015-16 (up to December 2015), the average pre-berthing detention, turnaround time & output per ship berth per day, were recorded at 1.17 hours, 2.02 days & 12,367 million tonnes, respectively.

PHYSICAL INFRASTRUCTURE – POWER

- As of April 2016, Andhra Pradesh had a total installed power generation capacity of nearly 15,311.17 MW. Out of the 15,311.17 MW, state utilities contributed 4,934.28 MW, private utilities contributed 8,776.42 MW and central utilities contributed 1,600.46 MW. With a contribution of 10,748.83 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 1,758.87 MW.
- The state has ten hydro power projects under operation and two under construction. Additionally, the state has one operational wind power project. It is planning to add another 8,400 MW power by 2017. For enhancement of renewable energy, two solar parks of 1,000 MW are planned to be constructed in the state, construction of which is expected to commence during 2016-17. 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 2016-17, the state government announced plans to invest US\$ 614.16 million for the development of the energy sector in the state.

Installed power capacity^ (MW)



Source: Central Electricity Authority
^Including Telangana

- During 2015-16, the aggregate technical & commercial losses declined to 10.29% as compared to 11.81% in 2014-15.
- Additionally, during the same period, the state government supplemented an additional capacity of 2,290 MW of power in the state. Further, the state government is targeting development of an additional capacity of 4,800 MW within the coming three years.

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

- Andhra Pradesh Industrial Infrastructure Corporation (APIIC) is the agency responsible for supervision and execution of SEZs in the state. As of July 2016, the state had 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
Visakhapatnam SEZ	Vishakhapatnam,	Multi-product
Divi's Laboratories Limited	Chippada Village, Visakhapatnam,	Pharmaceuticals
Apache SEZ Development India Private Limited	Mandal Tada, Nellore District	Footwear
Ramky Pharma City (India) Pvt. Ltd.	E-Bonangi Villages, Parawada Mandal, Visakhapatnam District	Pharmaceuticals
Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Madhurawada Village, Visakhapatnam	IT/ITES
Andhra Pradesh Industrial Infrastructure Corporation Limited (APIIC)	Madhurawada Village, Visakhapatnam	IT/ITES
L&T Hitech City Limited (formerly, Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Keesarapalli Village, Gannavaram Mandal, Krishna District,	IT/ITES
Hetero Infrastructure Pvt. Ltd.	Nakkapalli Mandal, Visakhapatnam	Pharmaceuticals
Andhra Pradesh Industrial Infrastructural Corporation Ltd.(APIIC)	Atchutapuram and Rambilli Mandals, Visakhapatnam	Multi Product
Brandix India Apparel City Private Limited	Duppituru, Doturupalem Maruturu and Gurujaplen Villages in Visakhapatnam	Textile

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

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

- As of July 2016, Andhra Pradesh had 4 SEZs with valid in-principle approvals, 29 SEZs with formal approvals and 24 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
Coal handling facility (Visakhapatnam)	Transport	103.12	Operational
Bridge across river Godavari between Yanam – Edurlanka	Transport	16.80	Operational
Bridge across Krishna river	Transport	10.85	Operational
Adloor Yellareddy - Kalkallu - Gundla Pochanpalli on NH – 7	Transport	74.85	Operational
Ankapalli - Tuni Road	Transport	43.26	Operational
Visakhapatnam Industrial Water Supply Project	Water sanitation	68.29	Operational
Road Upgradation (Kadapa-Pulivendula) KP-04 Project	Transport	10.96	Operational
Bridge (Rajahmundry) Project	Transport	131.53	Operational
Berth (WQ 6) Project	Transport	17.49	Operational
Road Upgradation (Farukhanagar-Kotakatta NH-7) Project-Package-I	Transport	56.96	Operational
Strengthening and widening of Dharmavaram - Rajahmundry road	Transport	33.46	Operational
Berth (EQ 10) Project	Transport	8.46	Operational
Berth (EQ 1 and EQ 2) Project	Transport	49.37	Operational
Road Upgradation (Kadapa-Pulivendula) KP-03 Project	Transport	12.42	Operational
Road (Maharashtra/AP Border-Islam Nagar NH-7) Project	Transport	55.00	Operational
Nellore-Tada Road	Transport	94.92	Operational

Source: Department of Economic Affairs, Government of India, Converted using flat exchange rate of INR 65.46/US\$

DEVELOPMENT PROJECTS: INVESTMENT AND MANUFACTURING ZONES

NIMZ in Chittoor District

- As of March 2016, the Government of India announced its plans of setting up a National Investment and Manufacturing Zone (NIMZ) in Prakasam district, which would be set up in an area of 14,231 acres and help in generating 5 lakh jobs over next 10 years.

New state capital and 14 smart cities

- As per the state budget 2016-17, an amount of US\$ 2.29 billion to 2.74 billion has been projected in the coming three to four years for the construction of the new capital city of Amravati in the state.
- Moreover, in February 2016, the Master Plan for launching the construction of the capital city was notified and approved in the District Gazette for Guntur.
- However, on the basis of population, number of statutory towns, as well as increasing efforts by the state government, 2 cities, namely, Visakhapatnam and Kakinada, have been selected for the project of smart cities as per budget 2016-17.

Industrial corridors

- The key industrial corridors being developed in the state include Visakhapatnam Chennai Industrial Corridor, Chennai Bangalore Industrial Corridor as well as Kurnool Bangalore Industrial Corridor
- 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.
- Further, the sanction of dedicated Rail Freight Corridors in the Railway Budget 2016-17, is also expected to fuel growth of these corridors

PHYSICAL INFRASTRUCTURE – TELECOM

- According to the Telecom Regulatory Authority of India (TRAI), Andhra Pradesh (including Telangana) had nearly 73.91 million wireless subscribers and 1.68 million wireline subscribers, as of May 2016.
- According to the Department of Telecommunications, Government of India, Andhra Pradesh had 2,427 telephone exchanges, as of October 2015
- As of May 2016, the overall tele-density in Andhra Pradesh stood at 85.39%.
- 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 December 2015, there were 10,375 post offices in Andhra Pradesh.
- 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.
- As of April 2016, the state recorded 195,327 new telephone wireless connections of Tata, 167,144 connections of Vodafone and 190,205 wireless connections of Reliance.
- By the end of May 2016, 20,674,785 subscribers had submitted request for mobile number portability in Andhra Pradesh.

Performance of National Optical Fibre Network Project (April 2016)

Pipes laid (km)	Optical fibre cables (OFC) laid (km)
1,913	19

Telecom infrastructure (as of May 2016)

Wireless subscribers ¹	73,912,896
Wire-line subscribers ¹	1,684,912
Internet subscribers ²	25,380,000 ¹

Source: Telecom Regulatory Authority of India, India Post
BSNL: Bharat Sanchar Nigam Limited

¹Including Telangana

²As of January 2016

SOCIAL INFRASTRUCTURE – EDUCATION (1/2)

- Andhra Pradesh has a literacy rate of 67.4%, according to provisional data released by Census 2011.
- During 2015-16, the state had 1,357 Diploma & Degree level institutions. In addition, IIM and IIT at Vishakhapatnam and Merlapaka Village of Yerpudu, respectively, as well as IIITs at Sri City of Chittoor and Kurnool district, also started their commencement during 2015-16.
- In order to boost 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.
- At the high school level, the drop out rate recorded a decline to 23.87% during 2015-16 and the state government is aiming at bringing down this rate to around 21.5% in 2016-17.
- During 2015-16, the state had a total of 59,877 schools with a total enrolment of 69.02 lakh students.

Classes	Number of schools (2015-16)
Primary	38,413
(I-VII/VIII)	9,981
(I-XII)	235
(VI-XII)	230
(I-X)	1,427
(VI-X)	9,591

Classes	Enrolment of students, 2015-16 (in million)
(I-V)	3.548
(VI-VIII)	2.072
(IX-X)	1.282

SOCIAL INFRASTRUCTURE – EDUCATION... (2/2)

- The “Sarva Siksha Abhiyaan” and “Rashtriya Madhyamik Siksha Abhiyaan” are the two schemes in the state which are focusing towards fulfilling the aim of reinforcing the education in the schools in accordance to the enrolment, quality, access as well as retention.
- For promoting secondary education in the state, the government has allocated US\$ 2.67 billion as per budget 2016-17. For higher education, the government is teaming up with different institutions internationally.
- The state government has promoted a long term partnership with Tata Institute of Social Sciences during 2015-16, for improving the employability of the graduates in the state and is also involved in improving the communication, IT as well as soft skills of the youth through English Language Labs, Jawahar Knowledge Centres, etc.
- During 2016-17, an allocation of US\$ 404 million has been done by the state government in order to improve the collegiate, technical as well as higher education in the state.

Source: Andhra Pradesh Socio Economic Survey 2015-16, State Annual Budget, 2016-17

Number of colleges in Andhra Pradesh - (2015-16)	
Course	Number of colleges
Junior colleges	575
Government degree colleges	146
Private aided colleges	141
Engineering	330
Pharmacy colleges	133
MBA colleges	387
Polytechnics	306
B Pharmacy	18

SOCIAL INFRASTRUCTURE – HEALTH

- During 2015-16, Andhra Pradesh had 1,075 primary health centres and 7,659 sub centres. The state also had 49 area hospitals and 9 district hospitals during 2015-16.
- The state government has come up with new programs which include 102 Talli Bidda Express for Maternal and Child Health, Tele Radiology, e-Aushadi, etc. to provide ensured health care services to the people of the state.
- Further, commencement of Sri Padmavathi Government Medical College for Women and the Vishakhapatnam Institute of Medical Sciences is under process in Tirupathi.
- To deliver free treatment to all the employees of the state government, pensioners as well as their family members, the government is aiming to implement the health scheme for the employees.
- An allocation of US\$ 932.44 million has been proposed by the state government for the growth of health care sector in the state, as per the budget 2016-17.

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

Health indicators (2015-16)	
Birth rate ¹	17.4
Infant mortality rate ²	39
Death Rate ¹	7.3
Medical facilities (2015-16) ⁽³⁾	
Sub centres	7,659
Primary health centres	1,075
Community health centres	1837
Area hospitals	49
District hospitals	9
Urban family welfare centres and health centres	266

Source: Andhra Pradesh State Budget 2016-17, Andhra Pradesh state portal, SRS Bulletin

¹Per thousand persons, ²Per thousand live births, ³ As per Economic Survey 2015-16

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 state government is planning to build up 3 integrated sports complexes at Vishakhapatnam, Vijayawada and Tirupathi.
- The state government has gained the opportunity to host 37th National Games at Amravati in 2019. Also, the government is planning to build up 127 stadiums in 2016-17 for enhancing the growth of sports sector in the state. Further, for the development of youth services and sports, the state government announced plans to invest US\$ 32.9 million during 2016-17.
- During 2015-16, the state accounted for 36,917 square kilometers of forest area. Andhra Pradesh has 16 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 2016-17, the state government announced plans to invest US\$ 54.53 million for the growth of environment and forests in the state. Further, the government also constituted the Andhra Pradesh State Skill Development corporation in PPP mode for fulfilling the skill development initiatives in 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 & AMRUT

- In September 2014, the Government of Andhra Pradesh announced its proposed plan to develop 14 smart cities, including Kakinada, 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, number of statutory towns, as well as increasing efforts by the state government, the cities of Visakhapatnam and Kakinada, have been selected for the project of smart cities as per the budget 2016-17. Further, Kurnool city is expected to be created as a smart city on the basis of state funds.

City	Population	Literacy rate	Area (sq. km)
Visakhapatnam city	1,728,128	81.79 %	544
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, a majority of the proposed smart cities are located in special investment regions or special economic zones with reformed regulations and tax structures, making them highly attractive for foreign investments. The state government developed Andhra Pradesh Urban Greenery and Beautification Corporation Limited, aimed at enhancing quality of life in these cities in the state.
- In order to convert Andhra Pradesh into an impeccably smart state, the state government has laid out few plans during the coming years, which include the formation of five-grid network, mission-mode administrative initiatives, new-age universities & institutions as well as the construction of the capital city. However, for the effective establishment of the capital city in Andhra Pradesh, the state government is working towards the development of major sectors of the state, which include, energy, gas, farming, information technology, etc.
- Under AMRUT (Atal Mission for Rejuvenation and Urban Transformation) scheme by the Government of India, a total of 31 urban local bodies of the state have been selected. The main aim of the scheme is to promote use of public & non-motorised transport, and provide each household with tap connections as well as enhance and develop greenery across these local bodies during 2015-16 to 2019-20. Moreover, the Government of Andhra Pradesh has promised to provide financial assistance of US\$722.41 million for the development of urban local bodies during 2016-17.

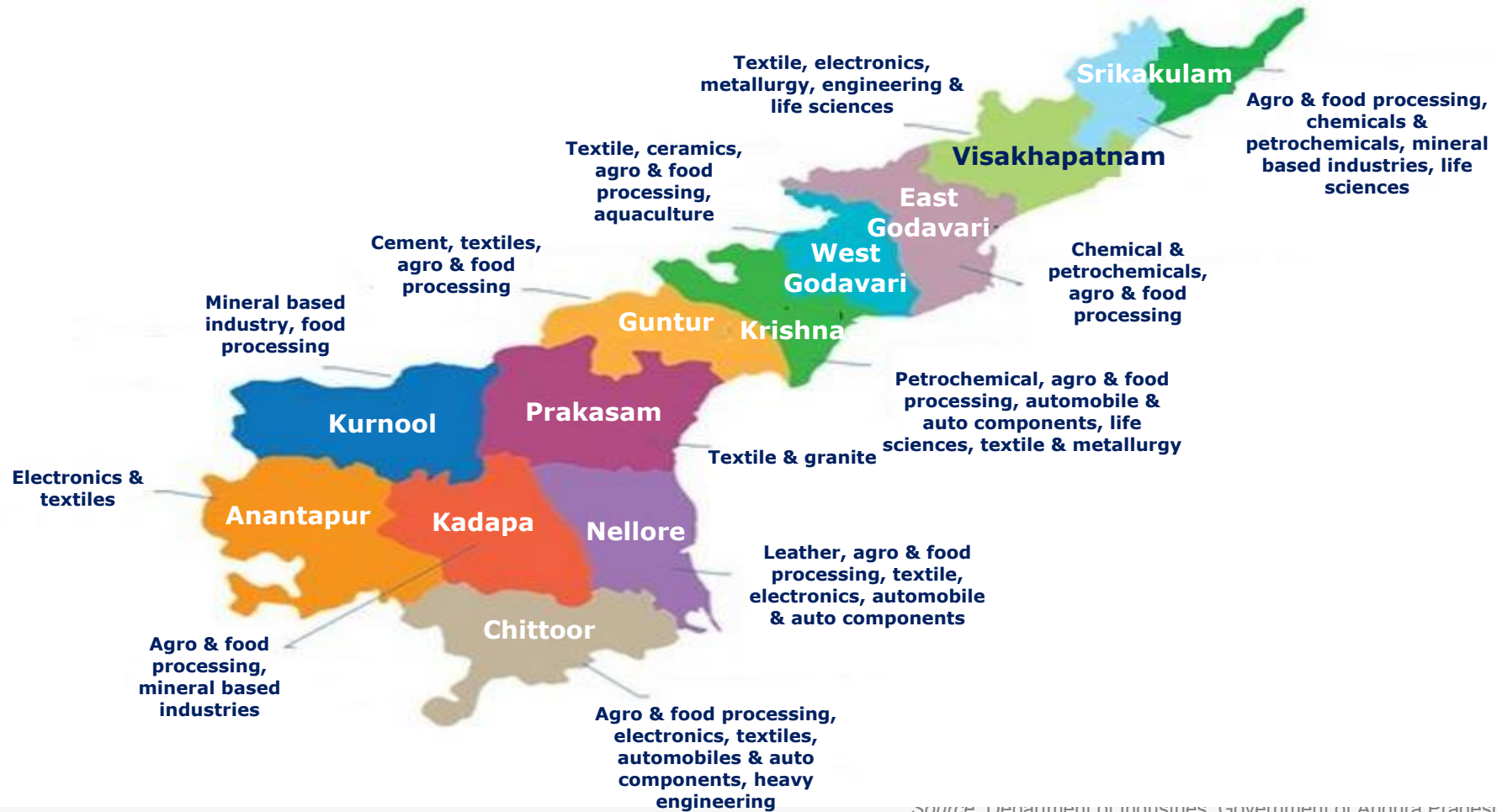
Source: Census Organization of India

INDUSTRIAL INFRASTRUCTURE...(1/2)

- Andhra Pradesh is recognised as the first state in the country which has a separate policy for SC and ST entrepreneurs. The industrial sector accounted for a growth of 11.13% during 2015-16 in the state. The increasing growth across various components of the industrial sector such as manufacturing, mining & quarrying, gas & water supply, construction and electricity, is a major driver for the growth of the industrial sector.
- The state government also introduced various policies for the growth of this sector, including the MSME policy, Automobile & Automobile Components Policy, Industrial Development Policy, Food Processing Policy, Retail Trade Policy, etc. during 2015-20. Private investments of US\$ 1.45 billion were recorded in the state during 2015-16. Further, as per the Budget 2016-17, the state government allocated US\$ 1.75 billion during 2016-17.
- Andhra Pradesh Industrial Infrastructure Corporation filed applications online 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
Gandrajuapalli-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

INDUSTRIAL INFRASTRUCTURE...(2/2)



Source: Department of Industries, Government of Andhra Pradesh

KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (1/4)

- During 2015-16 (up to September 2015), the total IT & ITeS exports from the state were recorded to be US\$ 263.51 million. The state also holds a noteworthy share in providing the IT employees throughout the globe.
- As per the budget 2016-17, the state government has allocated US\$ 55.02 million to the IT sector for the upgradation of IT, communication and electronics in the country.
- During 2015-16 (up to November 2015), the state recorded the establishment of 110 IT companies and 156 start-ups.
- 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.
- Apart from Visakhapatnam, cities such as Vijayawada, Tirupati, Kakinada and Anantapur will also be developed into IT hubs.
- In 2014, Government of Andhra Pradesh articulated two policies, namely, Electronics Policy and IT Policy, for drawing more investments, providing jobs to the people and enhancing ease of doing business in the state, during 2014-2020.
- Formulation of Electronics Policy and IT Policy in the state led to inflow of investment proposals worth US\$ 577 million, during 2015-16.
- Further, 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 share in the country's software exports to 5% in the coming years and is also planning increase the penetration of e-literacy in the state.

KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (2/4)

- In March 2016, the ITE&C (Information Technology, Electronics & Communication) department of the state established a new IoT policy with in the state with a view to attain a substantial market share in India's IoT market by 2020.
- The policy aims at creating around 50 thousand employment opportunities for the youth in IoT vertical, along with attracting around 100 IoT companies for establishing their development centres or facilities in the state and creating state-of-the-art physical and technical infrastructure integrated with the international standards across the key cities of the state.
- In order to be recognised as the leader in delivering safe and secure cyberspace to the enterprises, government as well as the citizens, the state government mentioned in the budget 2016-17, that they are planning to set up a Cyber School of Excellence in Tirupathi, in association with Israel.

Source: State Budget 2016-17

KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (3/4)

- In order to increase the contribution of IT exports 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%
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

KEY INDUSTRIES – IT AND IT-ENABLED SERVICES ... (4/4)

Tech Mahindra

**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 recorded revenues of US\$ 4.04 billion during 2015-16 and US\$ 940.08 million during the first quarter of 2016-17.

IBM

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. For CY 2015, the revenue recorded by the company was US\$ 81.74 billion. During the second quarter of CY 2016, the revenue of US\$ 20.2 billion was recorded.

Wipro

WIPRO
Applying Thought

- 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. During 2015-16, the company recorded revenues of US\$ 7.82 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.
- Out of the total exports of US\$ 2.9 billion from Andhra Pradesh, during the first half of 2015-16, drugs & pharmaceuticals accounted for a value of US\$ 809.96 million during the same period.
- 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.
- As of July 2016, the state had a total of 4 Pharmaceutical SEZs. There are a total of 18 D. Pharmacy institutions in the state with a enrolments of around 1,080 people, annually.
- In April 2016, the Chairman of Pollution Control Board of Andhra Pradesh specified that the state government is preparing to come forward with a new policy which will aim to ensure an improved understanding among the pharma companies as well as APPCB for minimising pollution levels across various pharmaceutical units of the state.

Some of the key players

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

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

Aurobindo Pharma Ltd



- 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 2015-16, the company recorded revenues of US\$ 2.12 billion.

Dr Reddy's Laboratories



- 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. The company recorded revenues of US\$ 2.36 billion during 2015-16.

Mylan Laboratories Ltd



- 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.

Granules India Ltd

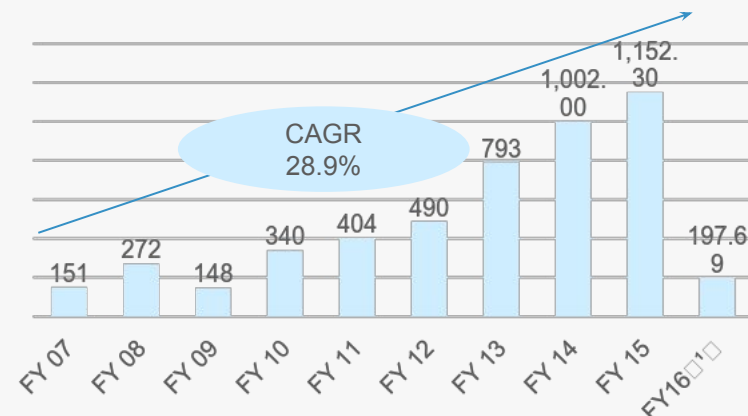


- Granules India is a Indian pharmaceutical company with manufacturing facilities spreading across India and China. The company serves customers across 60 countries with four facilities in India, which includes Vizag and a fifth facility in Jingmen, China. The company recently acquired Auctus Pharma and is looking towards further expansion of its business through both organic and inorganic routes. During 2015-16, the company recorded revenues of US\$ 218.63 million.

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

- Andhra Pradesh produces medium grade and superior long staple varieties of cotton. During April-June 2015, Andhra Pradesh produced 104.55 thousand tonnes of cotton. During April-December 2015, the state recorded 5,086 metric tonnes of raw silk production, while, during 2016-17 (up to May 2016), 858 metric tonnes of raw silk was produced by the state.
- 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 facilitation 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 five years. The purpose of this policy is to make Andhra Pradesh the most suitable state for textile activities.
- As per budget 2016-17, the state government allocated US\$ 19.22 million to the sector for the development and promotion of apparels and textiles.
- The state government also set a target to attract 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.
- The state government is planning various measures for the welfare of handloom weavers in the state which include pensions, insurances, funds, etc.

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



Note: FY16⁽¹⁾ : for the first half of FY16 (from April-September 2015)
Source: Andhra Pradesh Socio-Economic Survey 2015-16, News articles

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

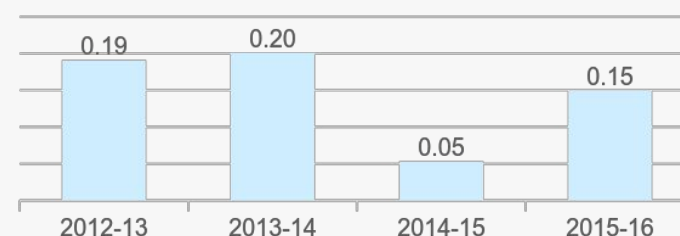
Textiles and handloom parks in Andhra Pradesh

- AEP, Gundlapochampally, Ranga Reddy Dist.
- AEP, Vizag, Visakhapatnam Dist.
- AEP, Proddatur, Kadapa dt.
- Textile Park, Sircilla, Karimnagar Dist (TCID)
- Textile Park, Pashamlaram, 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

Funds released under Handicraft Schemes (2015-16)- US\$ thousand

Ambedkar Hastshilp Vikas Yojana	4.12
Design and technological upgradation	76.75
Human resource development	18.58
Total	99.45

Financial assistance to the handloom weavers (in US\$ million)

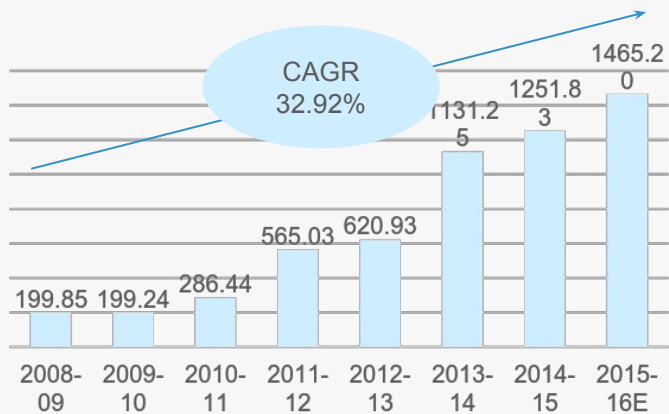


- For the promotion of exclusive Silk Mark stores as well as authorised users from various silk clusters of the state, the Silk Mark Organisation of India formed a collaborative venture with Andhra Pradesh Handloom & Handicraft Corporation Ltd., Government of Andhra Pradesh, during 2015-16.
- Moreover, during 2015-16, 3 block level clusters were sanctioned to the state and an amount of US\$ 159.14 thousand was released for these clusters.

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

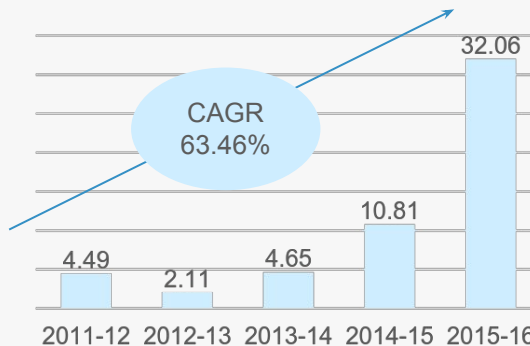
- The presence of rich climatic and soil conditions make Andhra Pradesh a major agricultural belt. Few of the leading crops produced in the state include rice, chilly, oilseeds, cotton, pulses and gram. The Krishna, Guntur, East and West Godavari districts have good irrigation facilities. The districts of Nellore, Krishna and Guntur are very fertile, with above average production of cereals, pulses, groundnut and cotton. During 2015-16, floriculture crops worth US\$ 2.180 million were exported from the state.
- Andhra Pradesh is recognised as one of the leading states, in terms of rice yield. During 2015-16, rice production in the state reached 6,940 thousand tonnes. Moreover, the export of non-basmati rice from the state reached US\$ 872.97 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\$ 16,058 thousand during 2015-16. Moreover, the exports of dairy products in the state reached US\$ 296.36 thousand.

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

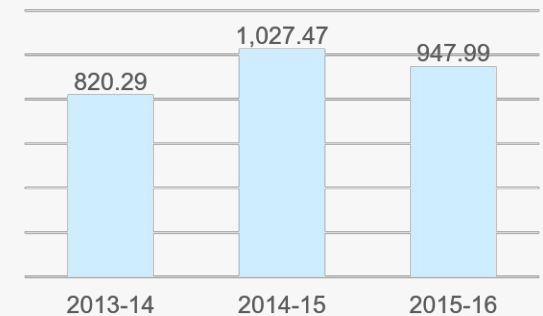


Source: MPEDA

Buffalo meat exports from Andhra Pradesh (in US\$ million)



Exports of non-basmati rice from Andhra Pradesh (US\$ million)



Source: APEDA

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

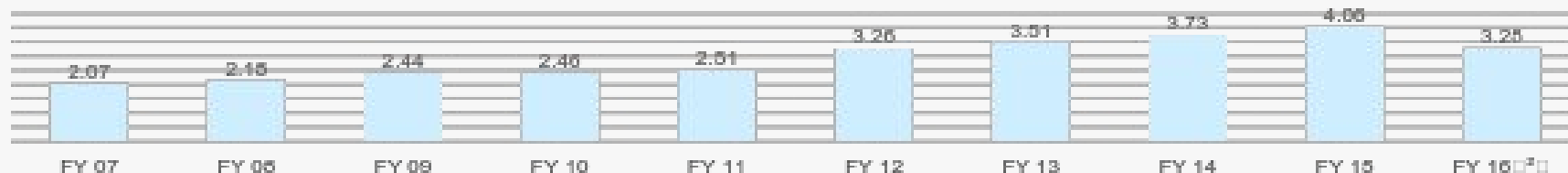
- Australia is planning to work with the Government of Andhra Pradesh, across the industries of dairy and aquaculture, in order to make the state a marine processing hub across the country. In 2015-16 (up to December 2015), the total fish production in Andhra Pradesh was recorded to be 1.62 million tonnes. The Fisheries Development scheme of Cage culture is promoted largely in the state to utilize the fresh water reservoirs' potentiality and provide employment to MMGs, SHGs as well as FCS members residing near the reservoirs. Up to October 2015, the cages were installed in around 7 reservoirs of the state. Moreover, for encompassing the subsidy to the aqua farmers, various funds have been allocated to the farmers for taking up different species culture, including species such as Mud crabs, Seabass, Tilapia, Scampi, etc.
- As per state budget 2016-17, the government has allocated US\$ 51.78 million for the development of the fisheries sector in the state during 2016-17. Moreover, in 2015, the Fisheries Policy was formulated by the state government which aims to deliver incentives to feed manufacturing units, aquaculture ponds, different processing units, equipment units related to fishery manufacturing, etc.

Dairy products exports from Andhra Pradesh, 2015-16

Port	Metric tonnes	US\$ thousand
Visakhapatnam sea	176.85	132.90
Vishakhapatnam airport	17.81	74.85

Andhra Pradesh¹ marine fish production (in lakh tonnes)

Source: Agricultural and Processed Food Products Export Development Authority



Source: The Marine Products Export Development Authority (MPEDA), ¹Andhra Pradesh (Including Telangana) FY 2016² - up to December 2015

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 2015-16, the company recorded revenues of around US\$ 6.25 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 Rajamundhry.

Andhra Pradesh Dairy Development Cooperative Federation (APDDCF)



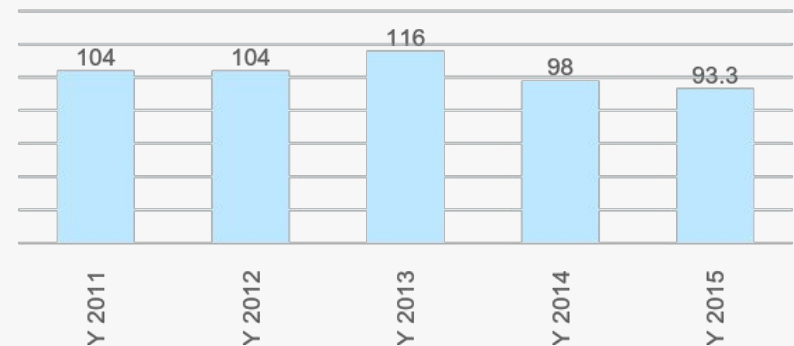
- APDDCF runs 12 dairy plants and manufactures milk products under the Vijaya brand. These plants together have a production capacity of 2,437 thousand litres per day. Products include butter, ultra-high-temperature (UHT) milk, milk powder, ghee, flavoured milk, khoya, kulfi and processed cheese. It 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 FY 2015, domestic tourist arrivals in the state stood at 93.30 million, while 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.
- As per budget 2016-17, the Government of Andhra Pradesh announced plans to invest US\$ 34.79 million for the development of tourism and culture sectors in the state.
- During 2015-16, the Government of Andhra Pradesh had grounded private investment of US\$ 232.66 million for the tourism sector.

- The state witnessed growth of 30% year-on-year in the total number of tourist arrivals which reached 121.8 million in 2015. Further, during 2016-17, the government is expecting to witness a growth of 40% in the number of tourist arrivals.
- Moreover, Government of Andhra Pradesh is targeting to ground private investments of US\$ 332.11 million across the tourism sector of the state during 2016-17.

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)

- The Andhra Pradesh Petroleum, Chemicals and Petrochemicals Investment Region is an investment area of 603 square kilometers engaged in setting up of manufacturing and service facilities involved in domestic and export-led production of petroleum, petrochemicals and chemicals.
- 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. During 2015-16 (up to December 2015), the production of crude oil and natural gas in the state was recorded to be 225 thousand metric tonnes and 1.6 MMSCMD, respectively.
- 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).

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 & fertiliser 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)

- The PCPIR project will 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 Fertilisers
 - NTPC
 - Rain Calcining Limited
 - Essar Pelletisation 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% 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.
- The state is famous for its diversity in minerals and rocks and contributes majorly to its economic growth. Out of the state's own non-tax revenue of US\$ 815.91 million during 2015-16, the mines and mineral sector accounted for the largest share of 25%.
- The Bondalamottu and Agnigundala areas of Guntur district are famous for mining of silver, zinc, copper, etc. base materials in the state. Further, the Thumalapalli area of YSR district contains huge deposits of Uranium.
- The state also yields 105 million cubic meters of dimensional stones and 56 million tonnes of industrial minerals. Mines and minerals are expected to be a major growth engine for fulfilling the objectives of Vision 2029. Further, the state government is targeting to increase the production of mines to US\$ 2.73 billion during 2016-17 as per the budget 2016-17.
- During 2015-16 (up to October 2015), the state recorded production of 125.63 thousand tonnes of crude oil, 259 mcm of natural gas and 167562 thousand tonnes of limestone.
- For the development of the minerals industry in the state, the Government of Andhra Pradesh formed a Mineral Exploration Research and Innovation Trust. In addition, District Mineral Foundations are also being developed by the government for guarding the people being affected by mining operations. For these foundations, the government is targeting an investment of US\$ 249.31 million during 2016-17.

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 2016-17; Andhra Pradesh Socio-Economic Survey 2015-16

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

Leather

- Andhra Pradesh is one of the major producers 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% of cost of plant and machinery for small scale industries (SSI) and 20% 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, the state government allotted 485 acres of land to Andhra Pradesh Industrial Infrastructure Corporation (APIIC), for the construction of a 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, which is managed by Rashtriya Ispat Nigam Limited.
- The state exports steel products to Japan, Germany, United States, Singapore, Dubai, Australia and various South American countries.
- As of 2015-16, 2 public sector units of the state are under administrative control of the Ministry of Steel, which include Rashtriya Ispat Nigam Ltd. and NMDC Ltd.
- Production of crude steel from RINL/Vizag Steel Plant increased from 3,202 thousand tonnes in 2013-14 to 3,297 thousand tonnes in 2014-15. During 2015-16 (up to December 2015), the production of crude steel reached 2,745 thousand tonnes.

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
Andhra Pradesh Industrial Infrastructure Corporation	4 th 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
Department of Industries and Commerce	Industries and Commerce Department 2 nd 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/

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	Green	AP Pollution Control Board	7 days
		Orange		15 days
		Red		21 days
8	Consent for operation under Pollution Control	Green	AP Pollution Control Board	7 days
		Orange		15 days
		Red		21 days
		Authorization of units handling hazardous wastes		Processed along with CFO
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
Land price (US\$ per hectare)	373,416
Labour cost (US\$ / man year)	1,573
Occupation costs (US\$ / sq ft / year)	18.4
Electricity (US cents per kWh)	Metropolitan Area: 9.1 Non Metro Area: 9.4
Cost of capital (Prime lending rate, per cent)	10.57
Employee cost (US\$ / man year)	
Software developers	6,383
Team leads	14,893
Architects	21,276.5
Project managers	31,915

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 ... (1/5)

Andhra Pradesh Internet of Things (IoT) Policy 2016-2020

Objective

- To develop Andhra Pradesh as an IoT hub and accomplish a considerable share in the country's IoT market by 2020.
- To create opportunities related to employment in IoT space for educated youth of the state.

[Read more](#)

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](#)

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

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](#)

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](#)

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

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](#)

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](#)

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

Biotechnology Policy - 2015-2020

Objective

- 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](#)

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 ... (5/5)

Andhra Pradesh Port Policy 2015

Objective

- To make minor ports of the state as the favored ports for container cargos from North and Central regions of the country.
- To allow commercial feasibility of various projects related to the ports.

[Read more](#)

CONFERENCES/SUMMITS FOR 2016-17

Upcoming Conferences	Venue of Conference	Date of Conference
International Conference on Microbiology, Agriculture & Environmental Sciences 2016	Hyderabad	1 st September, 2016
Technoarete-International Conference on Research in Sustainable Development Social Science & Education (ICRSDSSE-16)	Vishakhapatnam	3 rd September, 2016
International Conference on Advanced Trends of Nanotechnology and Networking(ICNTN-16)	Nellore	25 th September, 2016
International Conference on Advances in Engineering, Science & Technology(ICET-16)	Vishakhapatnam	16 th October, 2016
3rd International Conference on Computer & Communication Technologies	Vijayawada	28 th October, 2016
ASAR-International Conference on Electrical Communication Engineering and Mechanical Engineering(ICECEME-16)	Vishakhapatnam	25 th November, 2016

Source: India Conferences Alerts



ANNEXURE

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
2015-16	65.46

Source: Reserve Bank of India



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