



# Andhra Pradesh: Leading the transformation

February 2018



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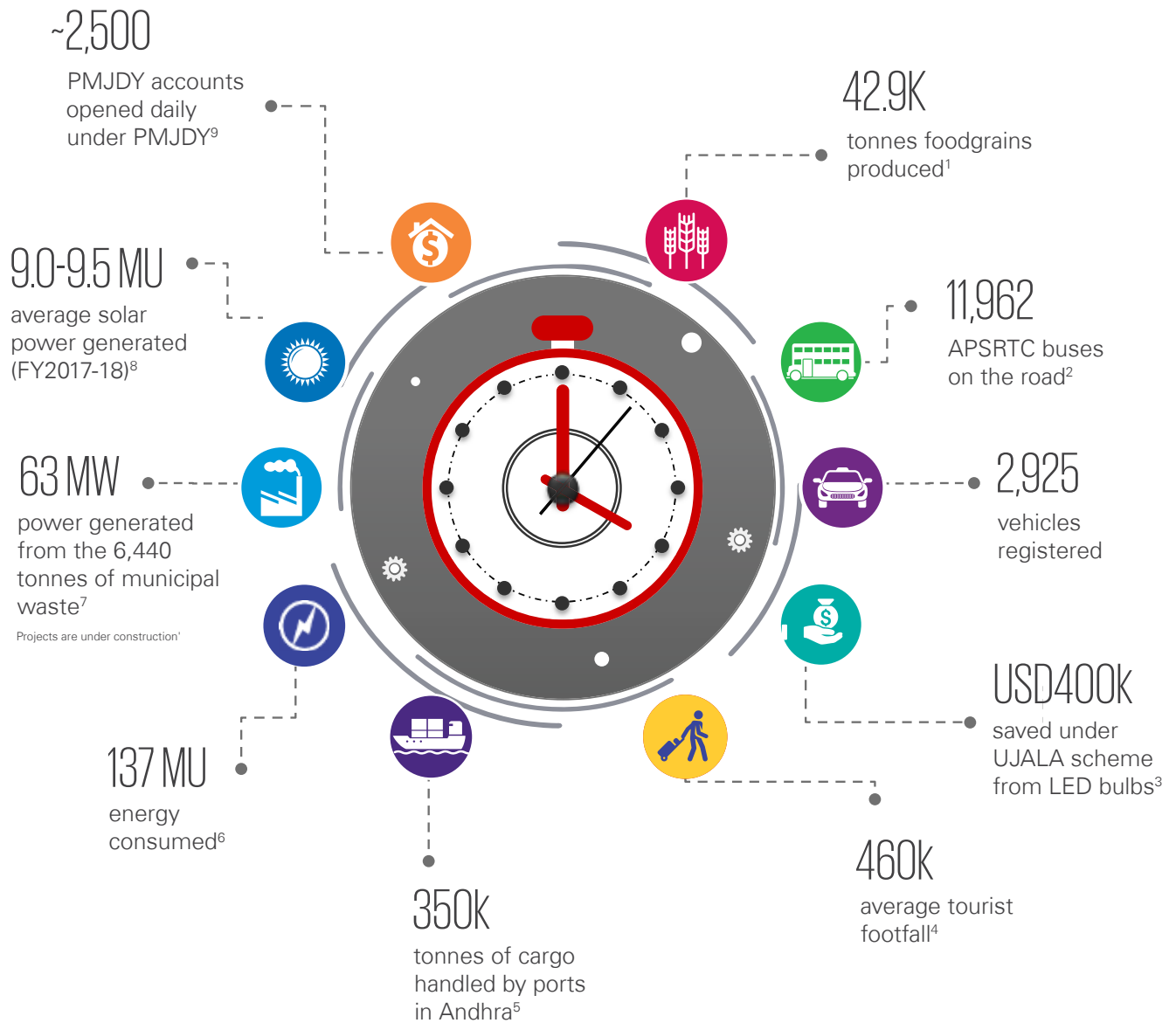


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# A day in Andhra Pradesh



\*Exchange rate of 1USD=INR65 has been used throughout the document for conversion purposes

1. AP socio-economic survey 2016-17  
 2. AP socio-economic survey 2016-17  
 3. After Energy Efficient Bulbs, Government Launches National Programmes for Smart Pumps for Farmers and Energy Efficient Fans, Press Information Bureau (PIB), 7 April 2016  
 4. Andhra Pradesh tourism, Footfall Dashboard  
 5. Ministry of Shipping, Government of India  
 6. AP is power surplus from shortage of 22.5 mu per day, The Hindu BusinessLine, 14 April 2016

7. Andhra Pradesh first state in the country to become Open Defecation Free in urban areas, PIB, 30 April 2016  
 8. Energy Department, Government of Andhra Pradesh  
 9. Pradhan Mantri Jan Dhan Yojana (PMJDY), Progress Report, accessed on 13 February 2018

# The journey so far

Dec  
2014

- Capital Region Development Authority Act, 2014 for development of new capital in Amaravati

Oct  
2015

- Foundation stone for Andhra Pradesh's new capital city Amaravati was laid. Amaravati is envisaged as world class people's capital with a capability of accommodating 10 million population by 2035.
- 33,000 acres of Land pooled within 60 days of launching the Land Pooling Scheme (LPS)

Jan  
2016

- Private Universities Act for establishment and regulation of private universities

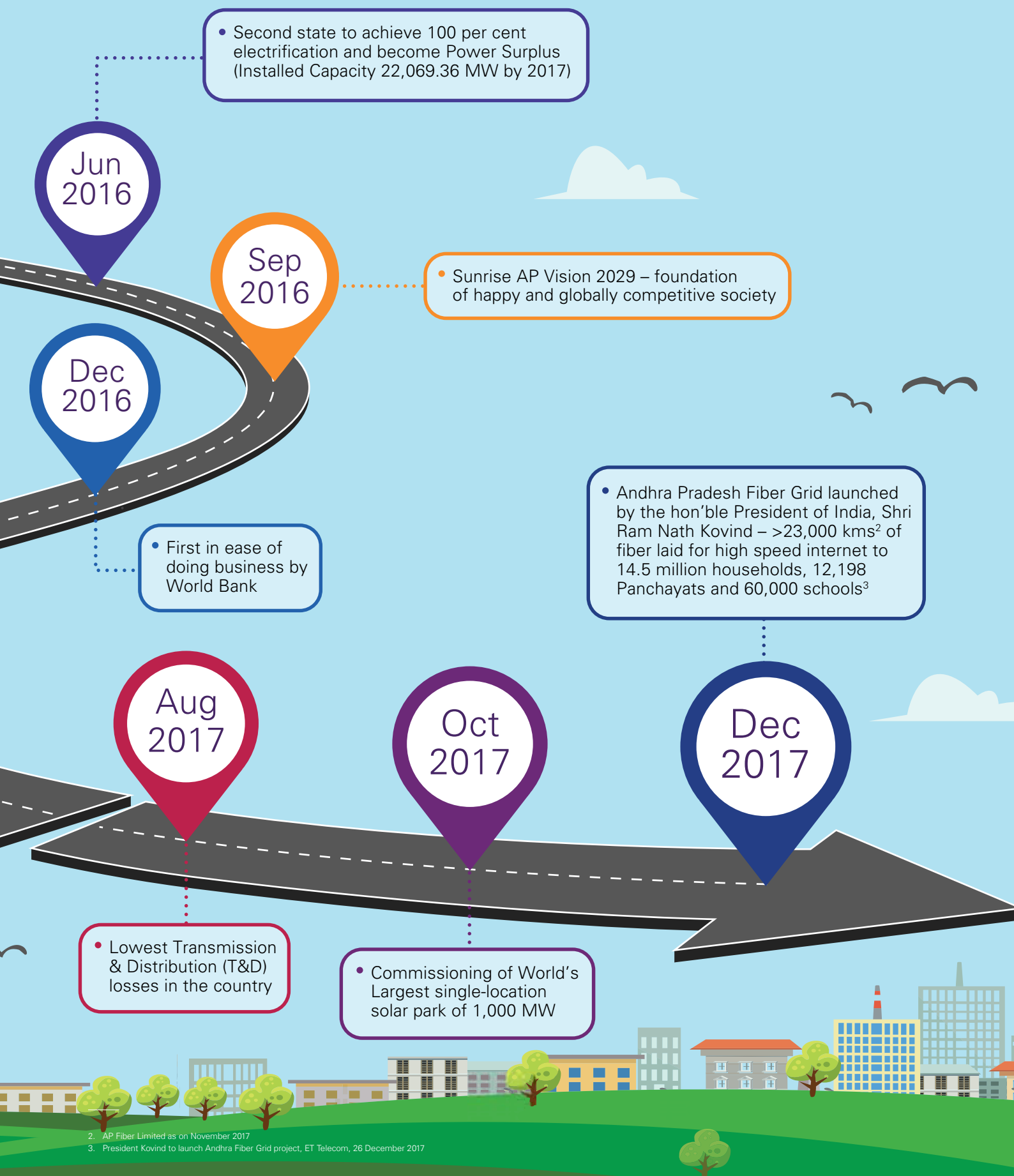
Mar  
2016

- Pattiseema Lift Irrigation Project – Fastest built mega irrigation project by inter-linking of two rivers enters Limca Book of Records<sup>1</sup>

2016

- First state to become 'Open Defecation Free' (ODF) in urban areas

1. Pattiseema Lift Irrigation Project completed in record 1 year time; enters Limca Book of Records, India Today Story, 25 March 2017



- Second state to achieve 100 per cent electrification and become Power Surplus (Installed Capacity 22,069.36 MW by 2017)

Jun 2016

Sep 2016

- Sunrise AP Vision 2029 – foundation of happy and globally competitive society

Dec 2016

- First in ease of doing business by World Bank

- Andhra Pradesh Fiber Grid launched by the hon'ble President of India, Shri Ram Nath Kovind – >23,000 kms<sup>2</sup> of fiber laid for high speed internet to 14.5 million households, 12,198 Panchayats and 60,000 schools<sup>3</sup>

Aug 2017

- Lowest Transmission & Distribution (T&D) losses in the country

Oct 2017

- Commissioning of World's Largest single-location solar park of 1,000 MW

Dec 2017

2. AP Fiber Limited as on November 2017  
 3. President Kovind to launch Andhra Fiber Grid project, ET Telecom, 26 December 2017

# Andhra Pradesh: When the rubber hits the road<sup>1</sup>

Key achievements since the state's bifurcation in June 2014

Ranked **#1** in 2016 in **ease of doing business** by DIPP and the World Bank\*



**Golden Peacock Award** to Hon'ble Chief Minister, **Chandrababu Naidu** for 'Global leadership in public service and economic transformation'



Ranked **#1** in 2015-16 by RBI in attracting **private sector investment**



Ranked **#1** in 2017 in implementation of **energy efficiency and conservation measures**



Ranked **#3** in global **shrimp production**



Ranked **#1** in **marine exports**



Amongst **top 3 states** in **manufacturing** in FY2016-17



Ranked **#3** in 2017 in **business investment potential** by NCAER



Ranked **#1** in **barytes production**



1. Press Release on "Assessment of State Implementation of Business Reforms 2016" by DIPP and World Bank, Nov 2016  
RBI Bulletin, September 2016  
Report by Investment Monitor FDI Intelligence, a division of The Financial Times

\*Andhra Pradesh's rank in the ease of doing business rankings in 2016 refers to the 'Assessment of State Implementation of Business Reforms 2016'



**First state** to announce construction of **dredging harbour**, one of its kind in the country



Vizag ranked **#3** among **cleanest cities of India** in Swachh Survekshan 2017




**#3** in **limestone production** in the country



**Lowest T&D losses** in the country in FY2016-17




**First state** to complete large scale implementation of **fiber trunk** across **>23,000 KMs** within a record time of **9 months**



Received **26 awards** for state's **power sector** in FY2015-17



**>10 per cent** growth across **agriculture, manufacturing and services** sector



**Best national tourism award** by **Gol**



**State of the year award** for 2017 by **CNBC**







# Foreword

Andhra Pradesh has had a commendable transformation story. From a new state in 2014 to one of the fastest growing states in the country with double-digit GSDP growth rate, Andhra Pradesh has made considerable progress.

Vision can be effectively achieved if backed up by robust policy environment, efficient action plan and strong governance. Andhra Pradesh's efforts are reflected in its robust and forward looking policy framework, development initiatives introduced to achieve the vision and transparent and efficient monitoring of the progress.

Leveraging on its strategic locational advantage, Andhra Pradesh has focused on equitable development by involving all districts in its transformation journey. Investments are spread across the state and job opportunities are emerging for people across all strata of society. Andhra Pradesh has been ranked as the No. 1 state in India on ease of doing business reforms in 2016 by DIPP and the World Bank, which is testimony to the conducive business environment prevailing in the state.

I am happy to note that the state has attracted strategic investments in various sectors such as auto, electronics, textiles, pharmaceuticals, aerospace and defence, minerals, renewable

energy, to name a few. Andhra Pradesh also has many superlatives to its credit - Asia's biggest integrated control and command centre, first state in the country to implement the Global Competitiveness Index (GCI), first state in South India to offer 24x7 quality and reliable power to industry – to name a few.

The state is steadily marching ahead to become India's 'Sunrise State' and we believe this report by KPMG in India will provide you a fair understanding of the state's progress and investment potential, thereby presenting you an opportunity for forging strong partnerships.

As the state navigates its path to a higher growth trajectory, we hope this report will be a valuable resource for companies – Indian and foreign alike – to find ways in which they can share in the dividend generated by the state's growth, while making their own contribution to the economy's transformation.

KPMG in India is committed to playing its role in the state's transformation.



**Arun M. Kumar**  
Chairman and CEO  
KPMG in India



**Nilaya Varma**  
Partner and Head  
Government and Healthcare  
KPMG in India



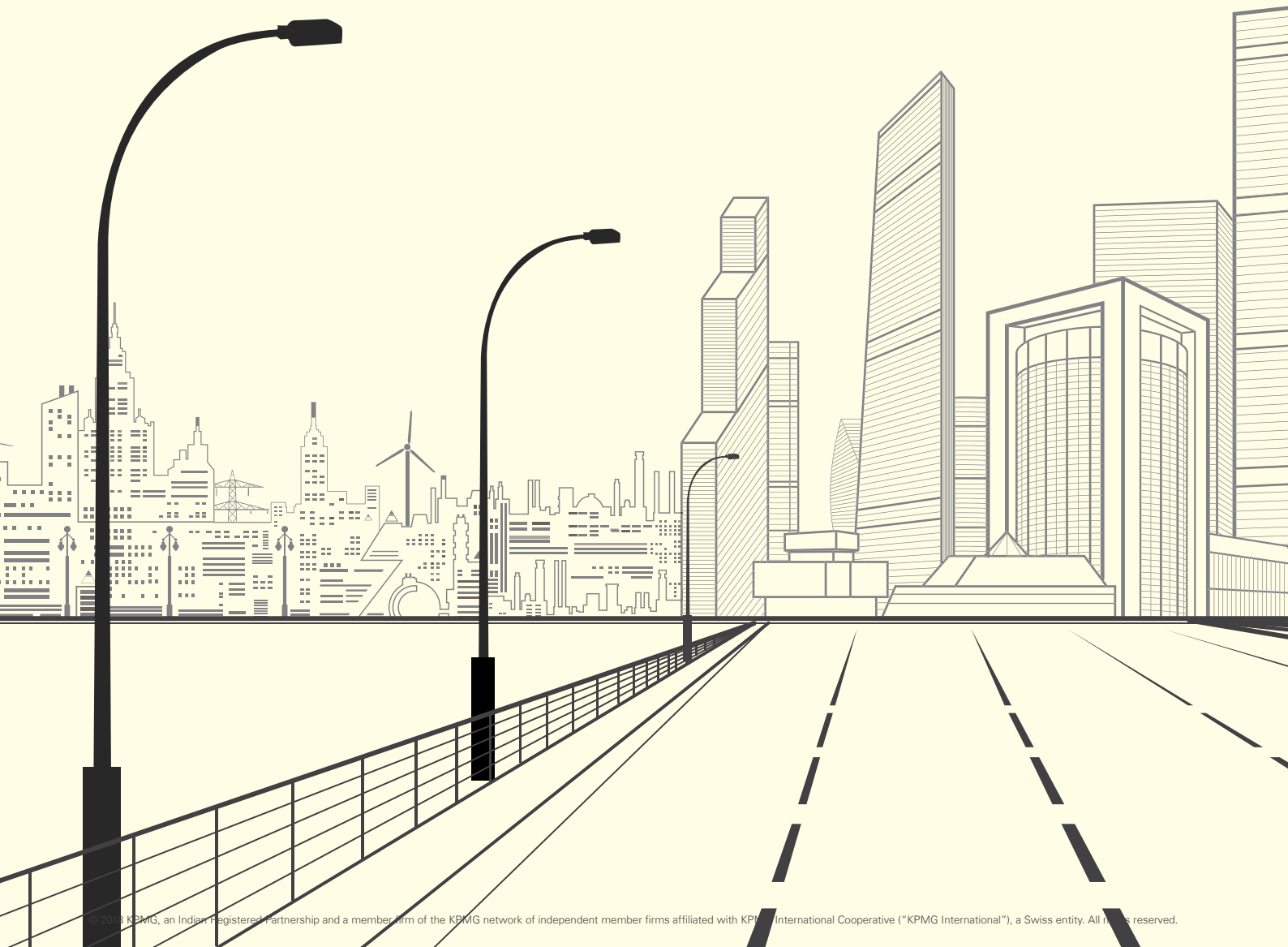
# Among the world's most ambitious infrastructure building programmes

- 3** smart cities
- 6** operational ports
- 8** proposed ports
- 6** operational airports
- 6** proposed airports
- 2** industrial corridors
- 1** potential Coastal Economic Zone
- 44** new industrial clusters
- 9** thrust sectors
- 300** industrial parks
- 1,000,000**-acre GIS-enabled land bank

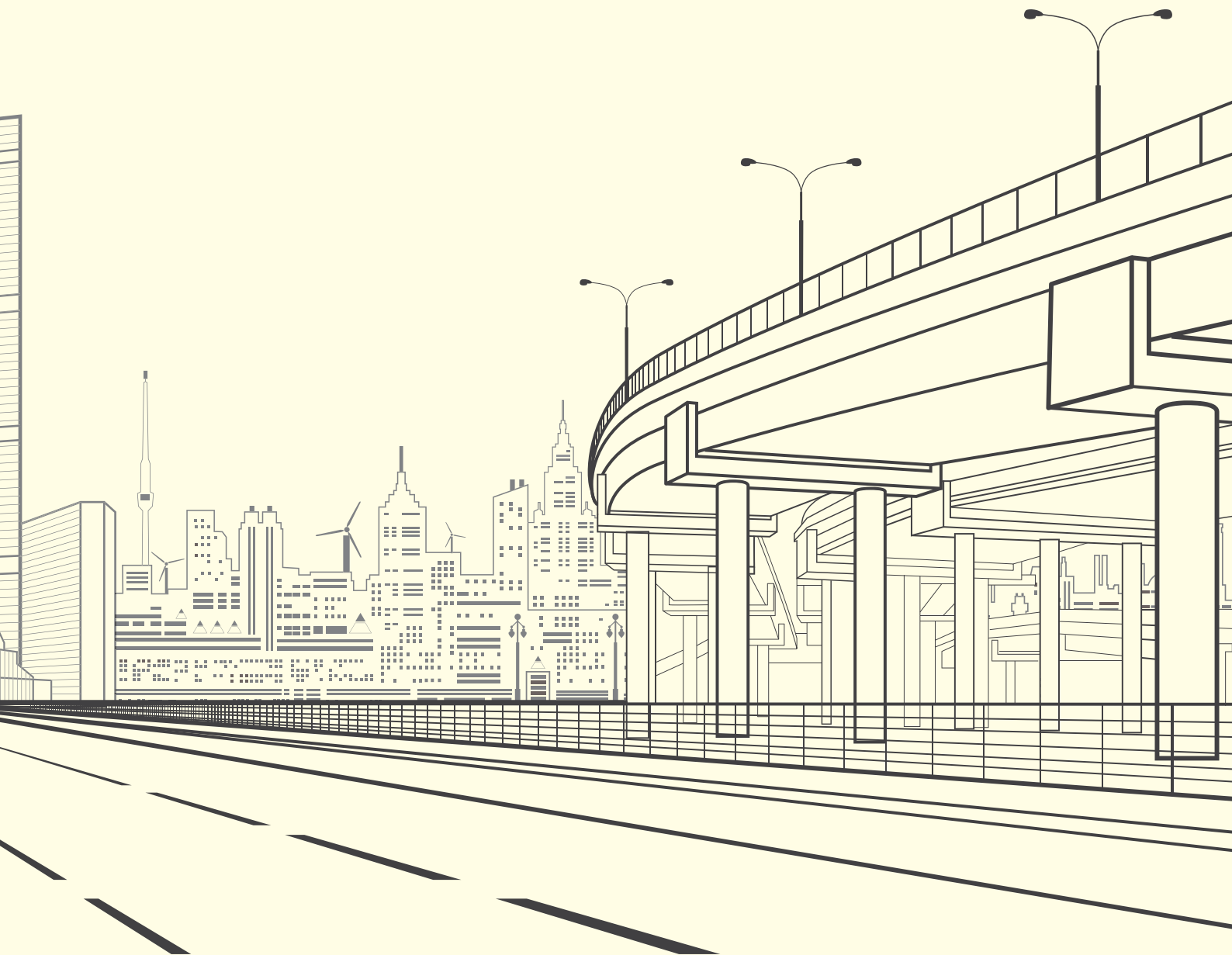




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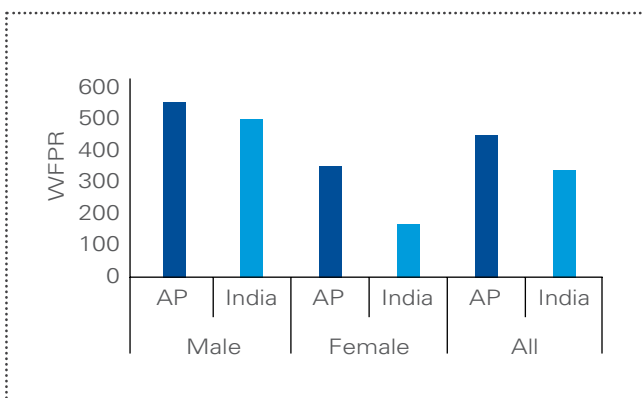
# Andhra Pradesh - Strong fundamentals, unprecedented growth



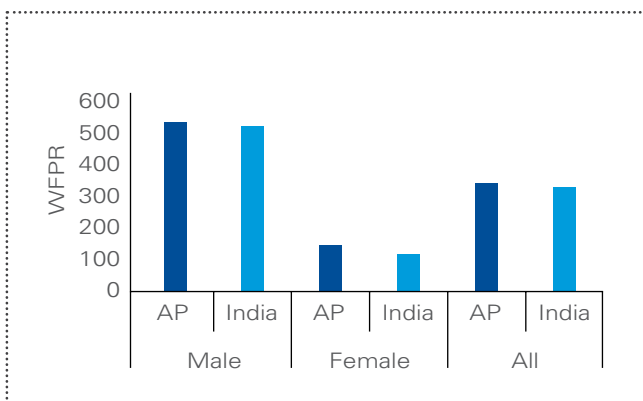
# Unlocking the demographic dividend

The population of Andhra Pradesh was 49.4 million (as per census carried out in 2011), which accounts for 4.08 percent of the country's population making it the tenth most populous state in the country. Projecting the state population in the future based on the observed growth rates, it is estimated that by 2026 the size of the population will be 55.5 million. The state's working population (in the age-group of 20-59 years) is projected to increase to 59 per cent of the total population in 2026<sup>01</sup>. With the state having higher workforce and labour force participation rate than all India averages, its economic potential depends greatly on harnessing the power of its talented pool of youth to reap its demographic dividend. Thus, the potential of the state depends on harnessing the power of its talented pool of youth to reap its demographic dividend.

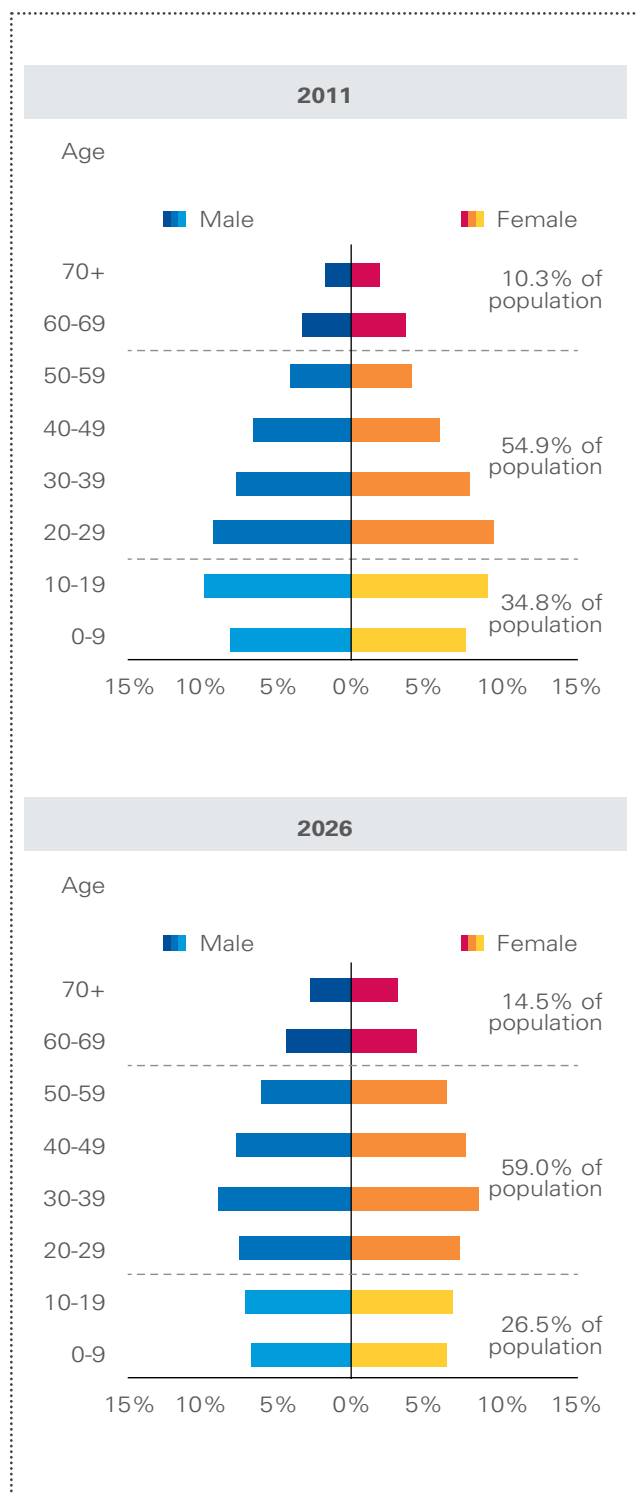
## Workforce participation rates per 1000 population - Rural (2011-12)



## Workforce participation rates per 1000 population - Urban (2011-12)



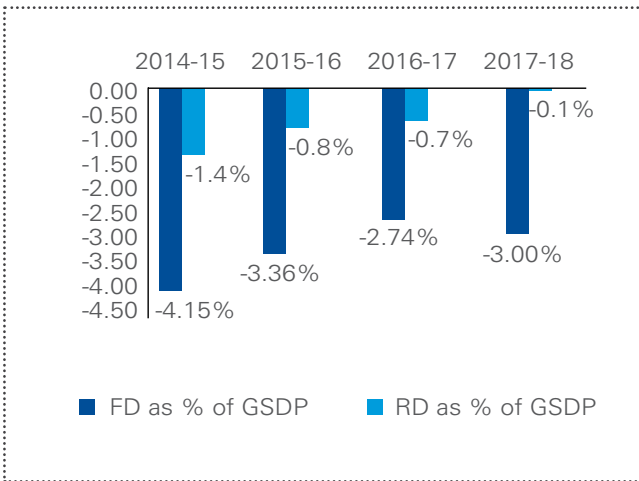
## Andhra Pradesh's demographic dividend (age and gender pyramid)



01. Sunrise Andhra Pradesh Vision 2029, Vision Management Unit INNOVATION APSDPS, Planning Department, Government of Andhra Pradesh, July 2017

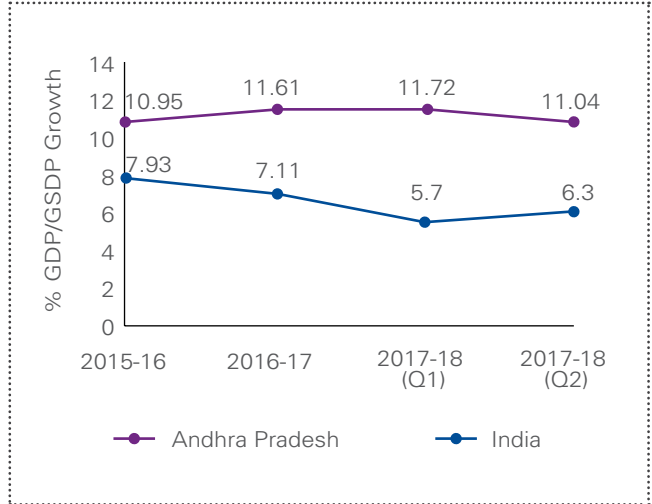
# Strong fundamentals, vibrant economy

**Focused and planned fiscal management has led to a reduction in the outstanding liabilities, revenue deficit and fiscal deficit of the state government since the bifurcation**

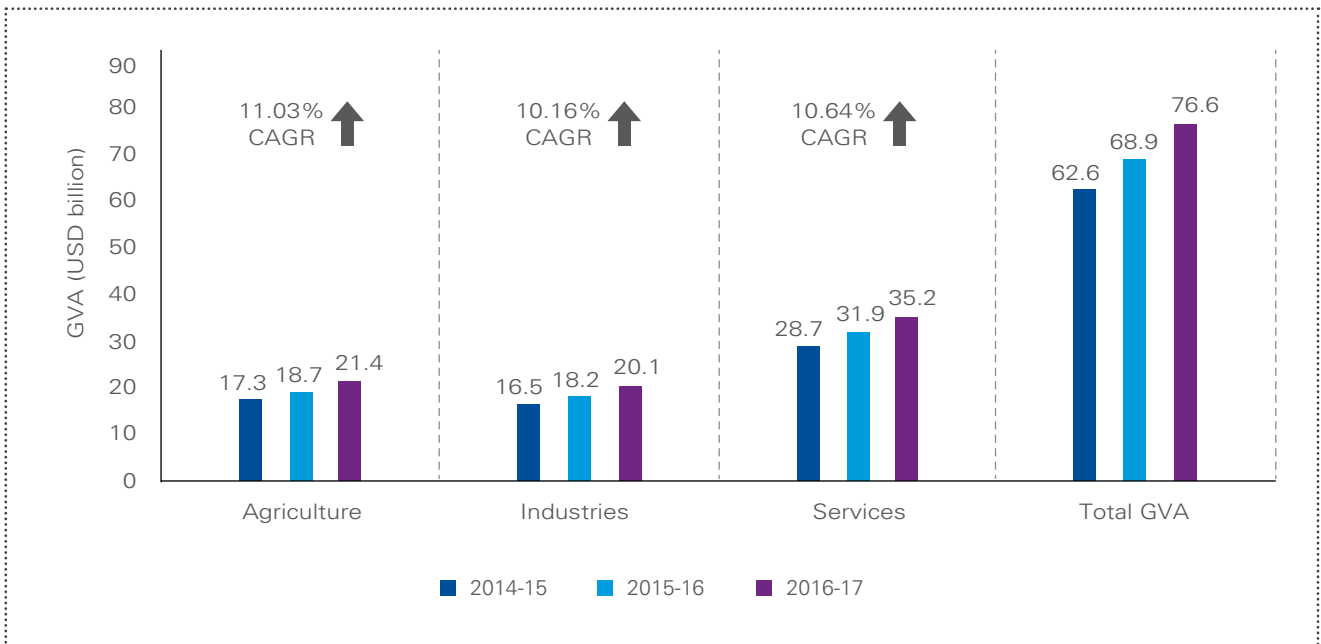


Source: State Budget 2017-18

**Sustained efforts and innovative policies helped the state to consistently register double-digit growth**

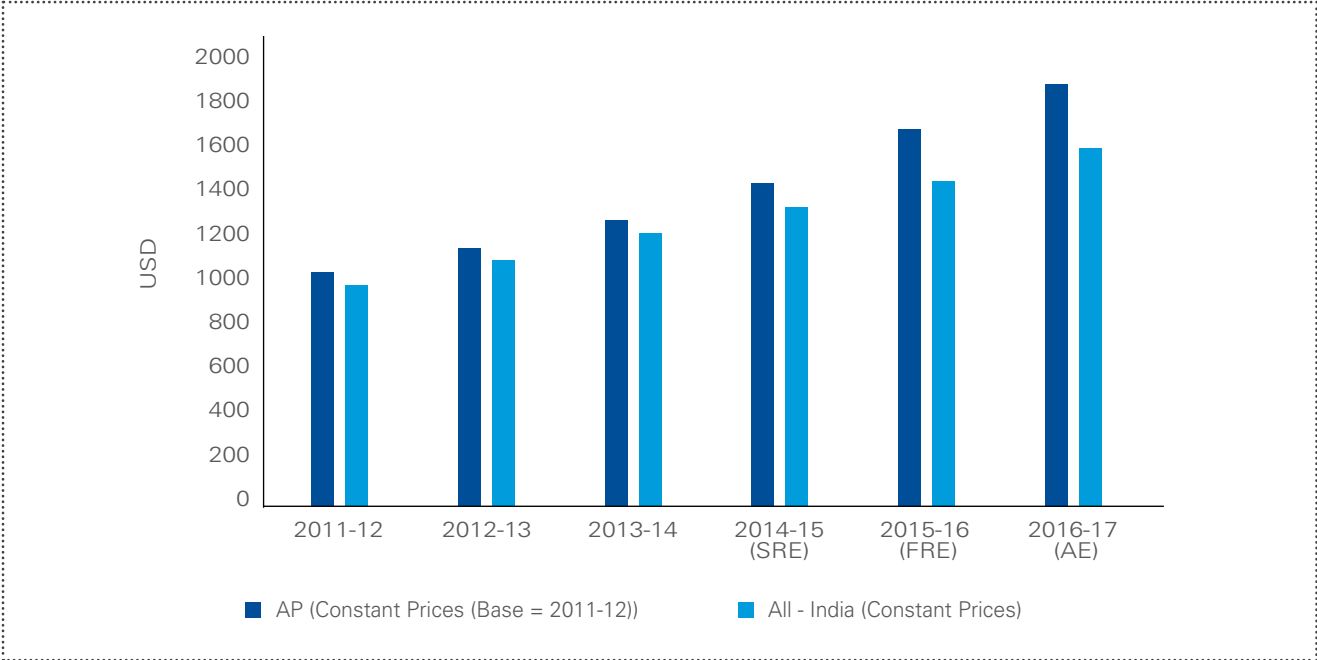


**GVA estimates for Andhra Pradesh at constant prices (2011-12) | Consistent double digit growth across sectors**





**Nearly 30 per cent increase in per capita income over the last four years, suggesting improvement in the standard of living of people in the state**



## Exports<sup>02</sup>

- Ranks ninth in the total share of exports (2.80 per cent) at INR804.6 billion (USD12.38 billion) (2016-17)
- The diverse resource endowments coupled with robust production and value addition networks, position the State at the fulcrum of the exports sector in India.
- AP has its prominence in the exports of marine products.
- Around 23 operational SEZs in the state across diversified sectors
- Vehicles, aircraft, vessels and associated transport equipment was one of the largest sectors of exports from Andhra Pradesh.

## Coastline

- Second longest coastline of 974 kms
- Andhra Pradesh is one of the front runners for the prestigious INR300.0 billion (USD462 million) Coastal Economic Zone (CEZ), to be implemented by the centre in partnership with the state government to attract globally competitive industries and create large-scale employment opportunities.
  - Each industry is expected to create 10,000 to 40,000 direct, skill-based jobs within a specified time.
- By 2025, annual industrial output along the corridor expected to increase fourfold to INR4.16 trillion (USD64 billion).
- The state's long coastline allows the opportunity to create international gateways. It is strategically located with respect to other ASEAN economies.

## Power generation

- Third state after Gujarat and Punjab to achieve 100 per cent electrification of households.
- 24X7 reliable and quality power across the industrial commercial and domestic sectors
- Total installed capacity - 22,257.10 MW (as on 31.01.2018) and per capita consumption<sup>03</sup>
- An investment of INR200 billion (USD3.07 billion) has been proposed over the next five years to strengthen the transmission and distribution

systems and extend power supply connection on demand.

- Power utilities are contemplating to install over 10 lakh smart electricity metres across the State with an aim to curb tampering issues besides doing away with manual billing.

## Economic growth potential

- Average GSDP growth rate of 11.28 per cent over the past two years.
- Ranks first among all states in India in the ease of doing business rankings published in 2016 by DIPP and the World Bank.
- Nearly 57 large and mega industrial projects established in FY2016-17, providing employment to 23,756 people. Over 9,900 MSMEs established in the organised sector providing employment to 1,07,609 people.
- Largest pool of employable male and female candidates with majority available for internships.
- The 'economic cities', to be taken up by the government in association with private construction agencies, is expected to be self-sufficient with education, health, shopping and entertainment.



02. AP draft export policy

03. [http://www.cea.nic.in/reports/monthly/installedcapacity/2018/installed\\_capacity-01.pdf](http://www.cea.nic.in/reports/monthly/installedcapacity/2018/installed_capacity-01.pdf)

## Key investments<sup>04</sup>

**Over the last 3.5 years, more than INR1,315 billion (USD20.25 billion) committed investments have gone into production across sectors with additional INR3,142 billion (USD48.34 billion) presently in advanced stages**

Major investors include -

- World's largest contract manufacturer of mobile phones
- South Korea's second largest motor vehicle manufacturer
- Spanish manufacturing company principally involved in the fabrication of wind turbines and construction of wind farms
- Japanese commercial vehicles and diesel engine manufacturing company headquartered in Tokyo
- World leader in renewable energy solutions includes products under wind energy & solar energy
- World's largest food, snack, and beverage corporation
- One of the world's top 10 pharmaceutical companies
- World's largest monocrystalline silicon producer
- American food manufacturing multinational company
- India's largest biopharmaceutical company
- American multinational confectionery, food, and beverage company
- India's most trusted generic pharmaceutical manufacturing brand.



04. Andhra Pradesh Investment Tracker, accessed on 12 February 2018



# Transforming into 'sunrise state': Moving the needle



# Andhra Pradesh - India's 'sunrise state'

After its re-organisation in June 2014, the state of Andhra Pradesh confronted a host of development related challenges impacting its 49.38 million people. Three years later, we have emerged triumphant, as one of the fastest growing states in India, registering double-digit growth on a quarterly basis, supporting its claim to be a state that is delivering results.



**Chandrababu Naidu**  
Chief Minister  
Andhra Pradesh, India

The newly formed state of Andhra Pradesh in 2014 came saddled with post-bifurcation issues. One of the biggest challenges was the then capital city, Hyderabad, the major source of revenue for united Andhra was now in Telangana. The state was suddenly faced with the harsh reality of rebuilding itself - right from developing new infrastructure, recognising a new capital city, forming a legislative assembly and a secretariat to generating enough revenue to survive as an independent state.

The state started its transformational journey with a major handicap in terms of smaller resource base with higher population ratio. Reconstruction of the state was also hobbled by the devastation wreaked by natural disasters. As per the state's budget speech 2015-16, the estimated loss on account of Hudhud cyclone was INR715 billion (USD11 billion)<sup>01</sup>. Deficit of nearly 36 per cent<sup>01</sup> in rainfall resulted in massive drought in the state, thereby further deepening the impact of state bifurcation. Among the many noticeable challenges were a myriad of unseen issues and hurdles staring at the new state of Andhra Pradesh.

Deepening debt burden forced the state to continue to borrow in order to meet its revenue expenditures. The state requested the 14th Finance Commission for a grant of INR1.0 trillion (USD15.42 billion) for capital construction and INR412.53 billion (USD6.35 billion) for other critical infrastructure requirements. However, only INR221.13 billion (USD3.4 billion) was granted as revenue deficit grant and INR18.23 billion (USD280.46 million) towards disaster management<sup>01</sup>.

Undeterred by the challenges, the state of Andhra Pradesh, under the leadership of Hon'ble Chief Minister, Chandrababu Naidu, committed itself to

a journey of massive transformation that started with a series of dynamic adjustments and strategic alignment of initiatives that were identified for socio-economic development. Consequently, the state embarked towards transforming itself into a happy, inclusive, responsible, globally competitive and innovation-driven society through structural transformation. By sustaining an inclusive double-digit economic growth, the state aims to become one amongst the three best states in India by 2022, achieve the status of a developed state by 2029, and that of a leading global investment destination by 2050.

'Vision 2029' accelerated Andhra Pradesh's transformational journey. Since the bifurcation, the state has recorded considerable progress in terms of the objective of achieving inclusive growth and development. Since June 2014, the overall size of the economy has grown from INR5,264.7 billion (USD80.9 billion) to INR6,993 billion (USD107.6 billion), in 2016-17. The Agriculture sector grew at 8.7 per cent (at constant prices) as compared to 2014-15, while the Manufacturing sector grew at 11 per cent. The Services sector grew at 11.4 per cent, compared to 11.5 per cent in 2014-15<sup>02</sup>.

The state's efforts in transformation, successful engagement of the private sector and active participation of the people of Andhra Pradesh has led to a growth of 11.61 per cent during the year 2016-17<sup>03</sup>. In the first half of FY2017-18, the state registered a growth rate of 11.37 per cent, ahead of the national growth rate of 5.8 per cent<sup>04</sup>.

Adopting efficient fiscal management and prudence, mobilisation and effective deployment of investment, the state has made considerable progress in

01. Government of Andhra Pradesh, Budget Speech 2015-16  
02. Government of Andhra Pradesh, Budget Speech 2015-16

03. AP socio-economic survey 2016-17  
04. A.P. registers 11.37% growth rate in first half of current fiscal, The Hindu, 8 December 2017

bringing down revenue deficit while containing the fiscal deficit within the limits.. From an estimated INR142.42 billion (USD2.19 billion) (2.72 per cent of GSDP) in FY2014–15, the revenue deficit, is estimated to be INR4.16 billion (USD64 million) (0.05 per cent of GSDP) by the end of FY2017–18. Similarly, the fiscal deficit target has declined from 3.88 per cent of GSDP in FY2014–15 to 3 per cent in 2016-17<sup>05</sup>. The decline in revenue deficit and fiscal deficit indicates an increase in revenue of the state and improvement in its fiscal capacity.

The journey towards transformation commenced with the state steadily introducing new initiatives, one after the other. The journey started with laying down the foundation for a city that belongs to the citizens of the state as well as the global citizen of the world and committing to the growth story.

## Amaravati: The people's capital of Andhra Pradesh

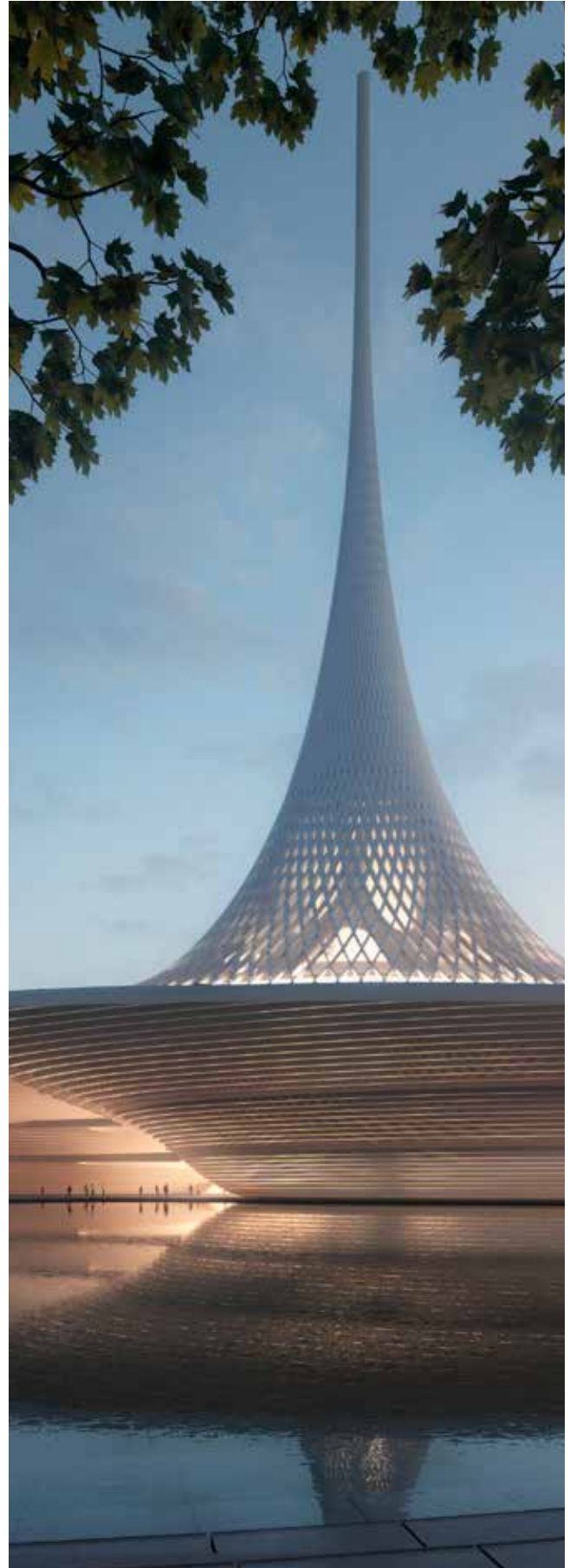
The first step towards the transformation was taken by laying down the foundation of Andhra Pradesh's new capital city in Amaravati. Amaravati is envisioned to be a world-class capital region that will have the capability to accommodate a population of nearly 3.5 million people by 2050<sup>06</sup>. The city will be positioned as a global economic hub and a top destination for people, investments and jobs, endowed with the world's best infrastructure.

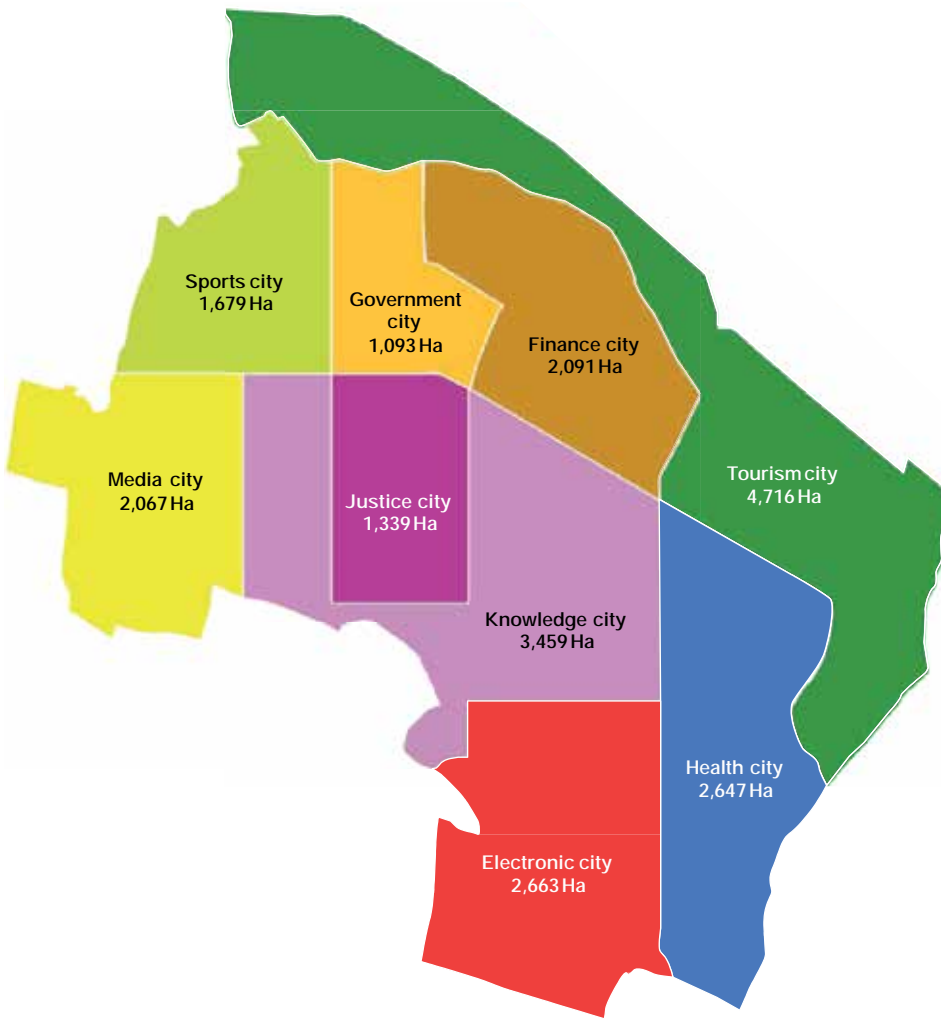
Key features of the city:

- The seed capital covers an area of 6.84 sq.km, while core capital and capital regions span over an area of 217 sq.km and 8,603 sq.km respectively; Thullur, Tadepalli and Mangalagiri mandals form core capital area.
- Amaravati is planned around 9 cities with smart city features and walk-to-work concept.

05. The AP Growth Story: How the State considerably improved its revenue after bifurcation, The NEWS Minute, 20 March 2017

06. Andhra Pradesh Capital Region Development Authority, accessed on 12 February 2018





**Media city**

- Media and creative industries
- World class production facilities
- Broadcasting
- Films
- Publishing
- Gaming
- Mobile
- Advertising
- Residential, hotels, retail, F&B



**Sports city**

- International sports stadiums
- Velodrome
- Indoor sports area
- Aquatic centre
- Sports village
- Sports academics
- Sports mall
- Residential, hotels, retail, F&B



**Justice city**

- High Court
- Local Courts and Tribunals
- Legal firms
- Law schools
- Para-legal training centres
- Legal research institutes justice
- Knowledge centre
- Legal processing and support centres
- Residential, hotels, retail, F&B



**Knowledge city**

- World class universities
- Centers for higher learning and excellence
- Multi disciplinary educational institutions
- R&D institutions
- Start-up/incubation centers
- National library
- Recreational parks and sports facilities
- MICE
- Residential, hotels, retail, F&B



**Electronic city**

- IT campuses
- electronics industrial clusters
- Electronic retail hubs
- Testing labs
- Incubation centers
- Training institutes
- Logistic centers
- Warehouses
- Residential, hotels, retail, F&B



**Health city**

- Medical tourism
- Centers of medical excellence
- Super speciality health facilities
- World class medical universities
- Bio-medical research institutions
- Incubation and innovation suites
- Alternative medicine research centre
- Rehabilitation centres
- MICE
- Residential, hotels, retail, F&B





**Tourism city**

- Heritage tourism
- Religious tourism
- Theme parks
- Water front tourism
- Water taxis
- Science centre
- Museums
- MICE
- Residences, hotels, retail, F&B



**Government city**

- Government complex
- Legislative Assembly
- Secretariat
- International bureaucratic institutions and embassies
- State level ministers
- City square
- Convention centre
- Residences, hotels, retail, F&B



**Finance city**

- Waterfront Central Business District (CBD)
- Banks
- NBFCs
- Mutual fund institutions
- Investment banks
- Rating agencies
- Trading houses
- Corporate headquarters
- MICE
- Residences, hotels, retail, F&B



- Resilient urban infrastructure, usage of smart technologies and creation of sustainable public spaces constitute core elements of the city. State-of-the-art technology from around the globe is being leveraged to develop the city
- One of the key highlights of the capital project is the manner in which land has been acquired. Out of the total required area of 54,000 acres, the Government was already in possession of 21,000 acres and the remaining belonged to the farmers in the area<sup>07</sup>.
- A unique land pooling scheme was charted wherein farmers were urged to voluntarily give up their land in return for developed land elsewhere and suitable annual compensation. Within six months, nearly 33,319 acres of land was voluntarily pooled in from more than 26,000 farmers<sup>08</sup>. This was India's largest ever consensus based land pooling.
- Within two years, more than 59,000 plots have already been returned to farmers through public lottery and around 3,900 plot options have been provided to farmers (highest globally)<sup>08</sup>



**World-class infrastructure:** 600 km of road network by 2050



**Jobs and homes for all:** 3.55 million resident population by 2050 and 1.5 million jobs by 2050



**Green and clean:** 20% area reserved for green and blue and > 20+ km public river waterfront



**Quality living:** Parks and public facilities within 5-10 minute walking distance



**Efficient resource management:** Flood resistant city towards net zero discharge



**Identity and heritage:** Heritage and tourism network using roads, metro and waterways

07. Birth of a new Capital: All you need to know about Amaravati, a 'futuristic world-class city', FirstPost, 8 February 2018

08. Andhra Pradesh Capital Region Development Authority, accessed on 12 February 2018



# Inclusive growth

After the state's reorganisation in June 2014, Andhra Pradesh faced a host of development related challenges. Three years down the line, the state has emerged as one of the fastest growing economies in India maintaining a double digit growth rate. The state is leveraging sustainable and inclusive measures to realise its vision of becoming a leading state in development and happiness by 2029. The Government has adopted a development framework that is aligned to the Sustainable Development Goals (SDG) – through which various social indicators such as poverty rate, food security, sustainable agriculture, health and well-being, quality education, gender equality, water and sanitation etc. are regularly monitored. The SDG framework, built on the tenets of inclusiveness, forms the guiding agenda for the state's development initiatives.

## Key initiatives to enable inclusive growth:

### Poverty and inclusive development

- The state's poverty rate is 9.2 per cent, considerably lower than that of India's, which stands at 20.9 per cent<sup>09</sup>
- Transforming into a slum-free state: Construction of nearly 56,68,370 houses has been completed, comprising 51,68,249 in rural areas and about 5,00,121 in urban areas under the Weaker Section Housing Programme, till the end of February 2017<sup>10</sup>.

### Agriculture

- Zero Budget Natural Farming (ZBNF) – a unique program run by the GoAP with an aim of improving the livelihood of about 5,00,000 farmers settled in 399 clusters in 2,000 villages
- 100 per cent digitisation of Public Distribution System (PDS) to address leakages in distribution of food grains and bogus ration cards
- Allow cashless transactions in all Fair Price Shops to facilitate purchase of essential commodities using digital currency
- Provide soil health cards, testing of soil samples, reducing micro nutrient deficiency and extension and guidance from knowledge partners such as ICRISAT.

### Irrigation

- Net irrigated area, a major supporting factor of food production, widened to 2.4 million Ha
- Pattiseema Lift Irrigation Scheme linking rivers Godavari and Krishna became the country's first and fastest river-linking project to provide necessary water for irrigation to farmers
- Use of technology - Real time monitoring of water levels using piezometers was introduced for proactive drought mitigation. Results of the real-time monitoring are transmitted to the Chief Minister's CORE dashboard
- Innovative measures such as sprinkling/drip irrigation, polynets/shadenets augured well for the state in bringing down the impact of drought on crop yield.

### Healthy society

- Integrated Child Development Services (ICDS) scheme addresses nutritional challenges faced by young children, pregnant and nourishing mothers
- Adoption of technology – Global Positioning System (GPS) based vehicle tracking to monitor movement of essential food items
- Maternal, childcare and family welfare services delivered through 7,617 sub-centres, 1,069 Primary Health Centres (PHC), 179 Community Health Centres (CHC), 49 area hospitals, 9 district hospitals, 6 mother and child care hospitals and 11 teaching hospitals in the state<sup>11</sup>
- IMR and MMR at 35 and 92, respectively, are better than the national averages
- Approximately 98 per cent of births are institutional.
- Under 5 mortality rate at 41 - better than the national average which stands at 50<sup>12</sup>
- Health insurance schemes available for Below Poverty Line (BPL) and Above Poverty Line (APL) families<sup>12</sup>.
- First state in the country to become Open Defecation Free (ODF) in urban areas
- Around 70 per cent Open-Defecation Free (ODF) in rural areas and target to become 100 per cent ODF by 2019

09. Andhra Pradesh Sustainable Development Goals, 2016-17

10. A.P Economic Survey, 2016-17

11. Sunrise Andhra Pradesh Vision 2029, Vision Management Unit INNOVATION APSDPS, Planning

Department, Government of Andhra Pradesh, July 2017

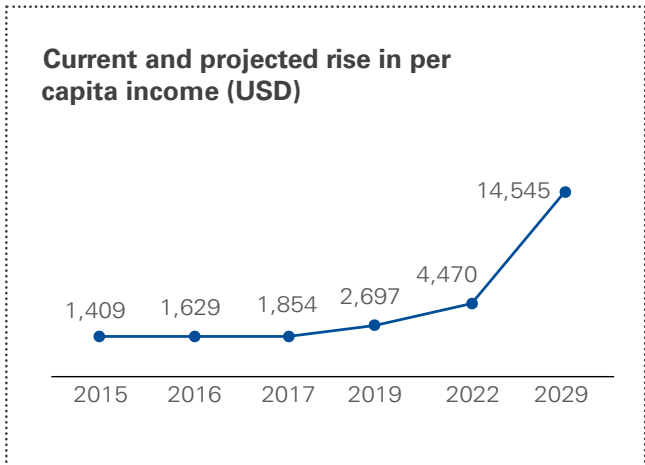
12. Andhra Pradesh Sustainable Development Goals, 2016-17

- Swachh Andhra – Visakhapatnam, one of the leading cities in the state, is ranked third in the all India Swachh Bharat Mission Index.

**Financial inclusion**

- Jan Dhan Yojana (JDY) and women Self Help Group (SHG) to maximise mainstream participation of its citizens

These initiatives have helped improve the per capita income of Andhra Pradesh from INR93,000 (USD1,409) in 2015 to INR1,84,000 (USD2,831) in 2017<sup>13</sup>.



13. AP Economic Survey, 2016-17, 2015-16 and 2014-15, Vision 2029 Annual Report 2017

# Education hub and knowledge society

Skill and knowledge mission was set-up as one of the seven missions in the 'Sunrise Andhra Pradesh Vision 2029'. It incorporated learnings from countries to establish an ecosystem for transforming the workforce into skilled and 'industry ready'. Under the mission, several noteworthy initiatives were undertaken.

- Andhra Pradesh State Skill Development Corporation (APSSDC) has been set up to bridge the demand gap and promote entrepreneurship and innovation in the state
- About 447 government-run junior colleges, eight government-run vocational junior colleges, 1749 private un-aided junior colleges functioning in the state<sup>14</sup>
- Andhra Pradesh is the first state in the country to introduce digital class rooms in all 352 KGBVs (Kasturba Gandhi Balika Vidyalayas - residential schools for underprivileged sections of the society)
- 250 digital classrooms<sup>14</sup> in Visakhapatnam district on pilot basis
- 100 per cent of schools have been mapped on GIS.



## 8 institutes of excellence

- Indian Institute of Technology, Tirupati
- Indian Institute of Management, Visakhapatnam
- Indian Institute of Science, Education & Research, Chittoor
- Indian Institute of Information Technology, Chittoor
- All India Institute of Medical Sciences (AIIMS), Guntur
- National Institute of Technology, Tadepalligudem
- School of Planning & Architecture, Vijayawada
- National Institute of Design, Vijayawada

## 13 universities

- Amrita Vishwa Vidyapeetham, Amaravati
- Vellore Institute of Technology, Amaravati
- SRM University, Amaravati
- XLRI, Vijayawada
- Indian Institute of information, Design & Mfkg, Kurnool
- Jawaharlal Nehru Technological University, Kakinada
- Sri Krishnadevaraya University, Anantapur
- Rashtiya Sanskrit Vidyapeetha, Tirupati
- Andhra Univeristy, Visakhapatnam
- NTR Health Univeristy, Vijayawada
- Sri Venkateshwara Univeristy, Tirupati
- Sri Padmavati Mahila University, Tirupati
- Damodram Sanjivya National Law University, Vizag

14. AP Economic Survey 2016-17

# Happy Andhra, successful Andhra

- The state’s vision is to ensure a happy and globally competitive society, and people’s happiness and well-being have been put at the forefront of the state’s efforts<sup>15</sup>.
- United Nations Sustainable Development Solutions Network (SDSN) measures global happiness and conducts global annual happiness assessments across countries published as the ‘World Happiness Report’.
- Andhra Pradesh is the only state among the countries that is linked with SDSN and has followed the global methodology to assess happiness levels within the state.
- State’s happiness rank was assessed based on responses collected during the ‘Andhra Pradesh happiness survey 2016-17’. The survey was based on the UN SDSN’s World Happiness Framework. Key aspects included GDP, generosity, social support, corruption in business, corruption in the government, freedom to make life choices etc. Based on the evaluation, AP stood at 74<sup>th</sup> position globally with a score of 5.36<sup>16</sup>. India was ranked

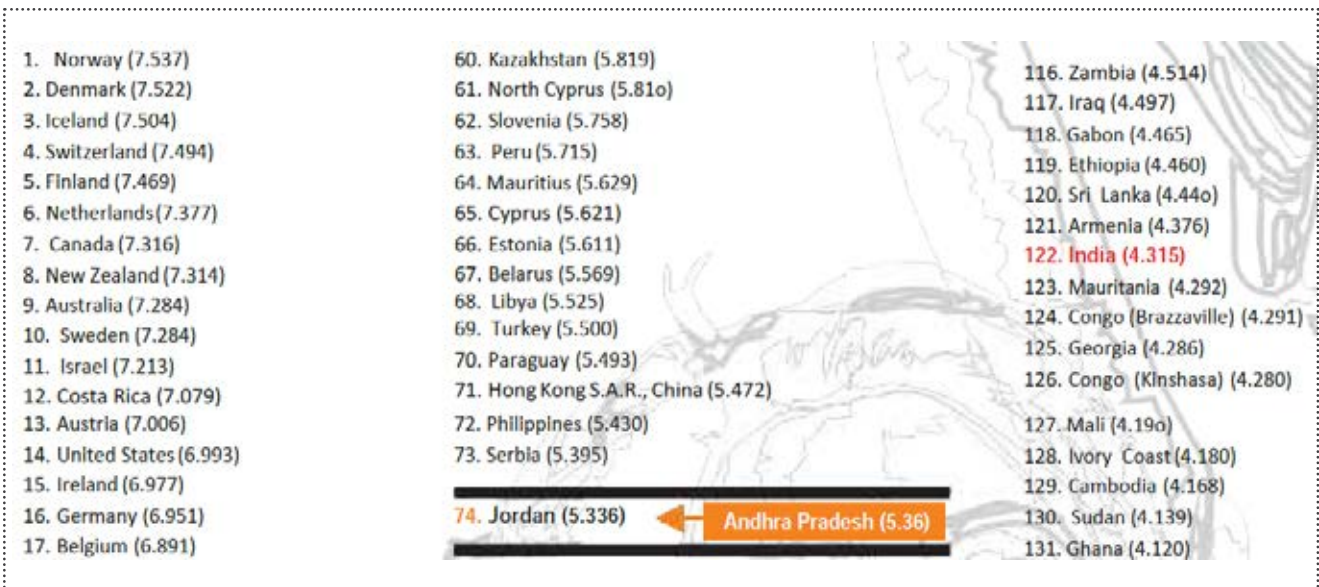
122<sup>nd</sup> with a score of 4.315, among 155 nations (in the World Happiness Report, 2017).

- In 2017, the Government of Andhra Pradesh (GoAP) established ‘Happiness Department’ led by the Hon’ble Chief Minister, Chandrababu Naidu. It became the second state in the country to do so after Madhya Pradesh

Happiness of the people of Andhra Pradesh is the supreme goal of the government and people’s well-being and happiness is being put at the forefront of state’s efforts.



**Chandrababu Naidu**  
Chief Minister  
Andhra Pradesh, India



15. Happiness Index-AP Vision 2029

16. World Happiness Report.



# Driving growth through industrial corridors

India is building five large industrial corridors<sup>17</sup> which are expected to boost direct economic growth prospects across 14 States in India. The cumulative investment for these corridors is estimated to be around INR32.5 trillion (USD500 billion) and expected to create approximately 40 million jobs over the next 20-25 years<sup>18</sup>. Out of these five industrial corridors, two are passing through Andhra Pradesh given its strategic location, availability of land, resources and skills. These Industrial corridors, once developed, will not only cater to competitive manufacturing but also ensure streamlining of urbanisation and drive economic growth. Currently, Andhra Pradesh is implementing two industrial corridors – Visakhapatnam Chennai Industrial Corridor (VCIC) & Chennai-Bengaluru Industrial Corridor (CBIC)

## Visakhapatnam Chennai Industrial Corridor

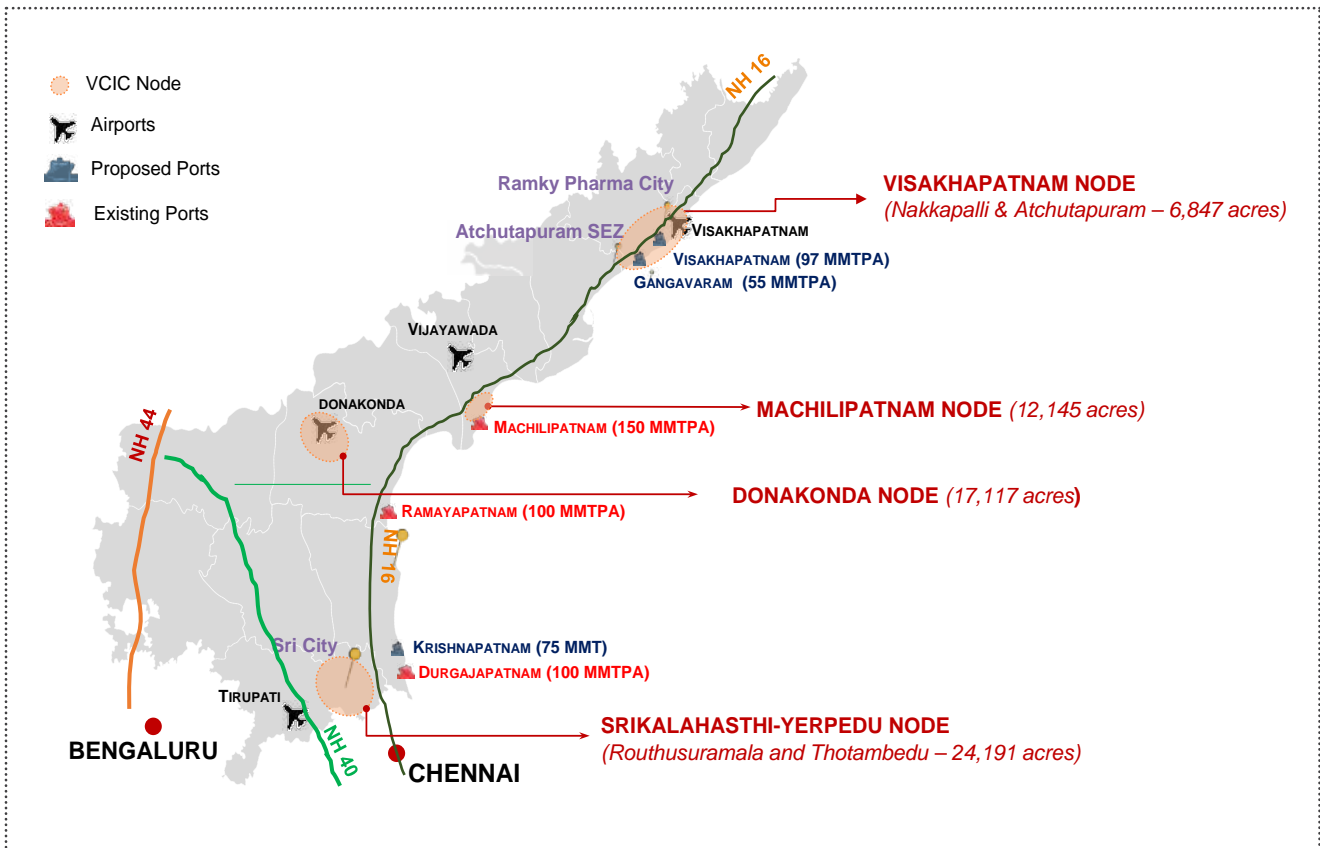
- Key part of the planned East Economic Corridor, and India's first Coastal Corridor
- Supported by Asian Development Bank (funding of INR40.6 billion (USD625 million))
- Potential to:
  - Increase GDP in the Corridor districts by six times (from INR2 trillion (USD30 billion) in 2015 to INR11.6 trillion (USD174 billion) by 2035)
  - Expand manufacturing output by seven times from INR1.1 trillion in 2015 (USD16 billion) to INR7.8 trillion (USD117 billion) by 2035
  - Create 11 million additional incremental employment from 2.9 million in 2015 to 14 million by 2045
- Four nodes proposed – Visakhapatnam, Machilipatnam, Srikalahasti-Yerpedu & Donakonda
- Master planning completed for two nodes – Visakhapatnam & Srikalahasti- Yerpedu
- Huge opportunity for establishment of manufacturing units across 11 industrial sectors (Pharmaceuticals, electronics, A&D, machinery & heavy engg., hi-tech engineering, electronics, automobile, food processing, textiles, building materials & machinery parts)



17. Delhi – Mumbai Industrial Corridor (DMIC), Visakhapatnam – Chennai Industrial Corridor (VCIC), Chennai – Bengaluru Industrial Corridor (CBIC), Bengaluru – Mumbai Economic Corridor (BMEC), Amritsar – Kolkata Industrial Corridor

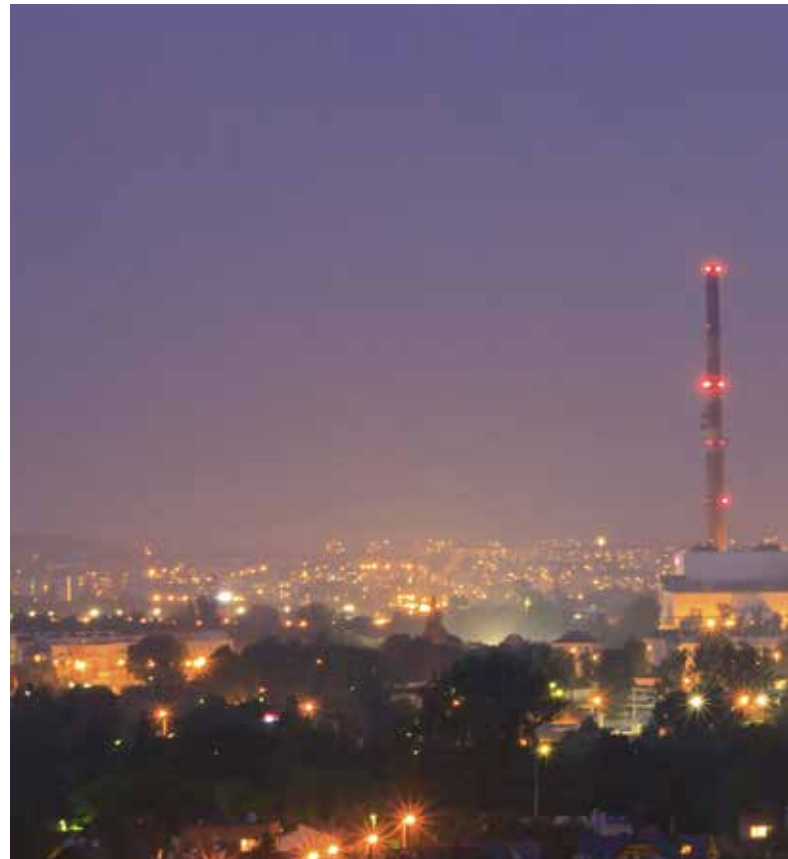
18. DIPP

## Visakhapatnam Chennai Industrial Corridor (VCIC)

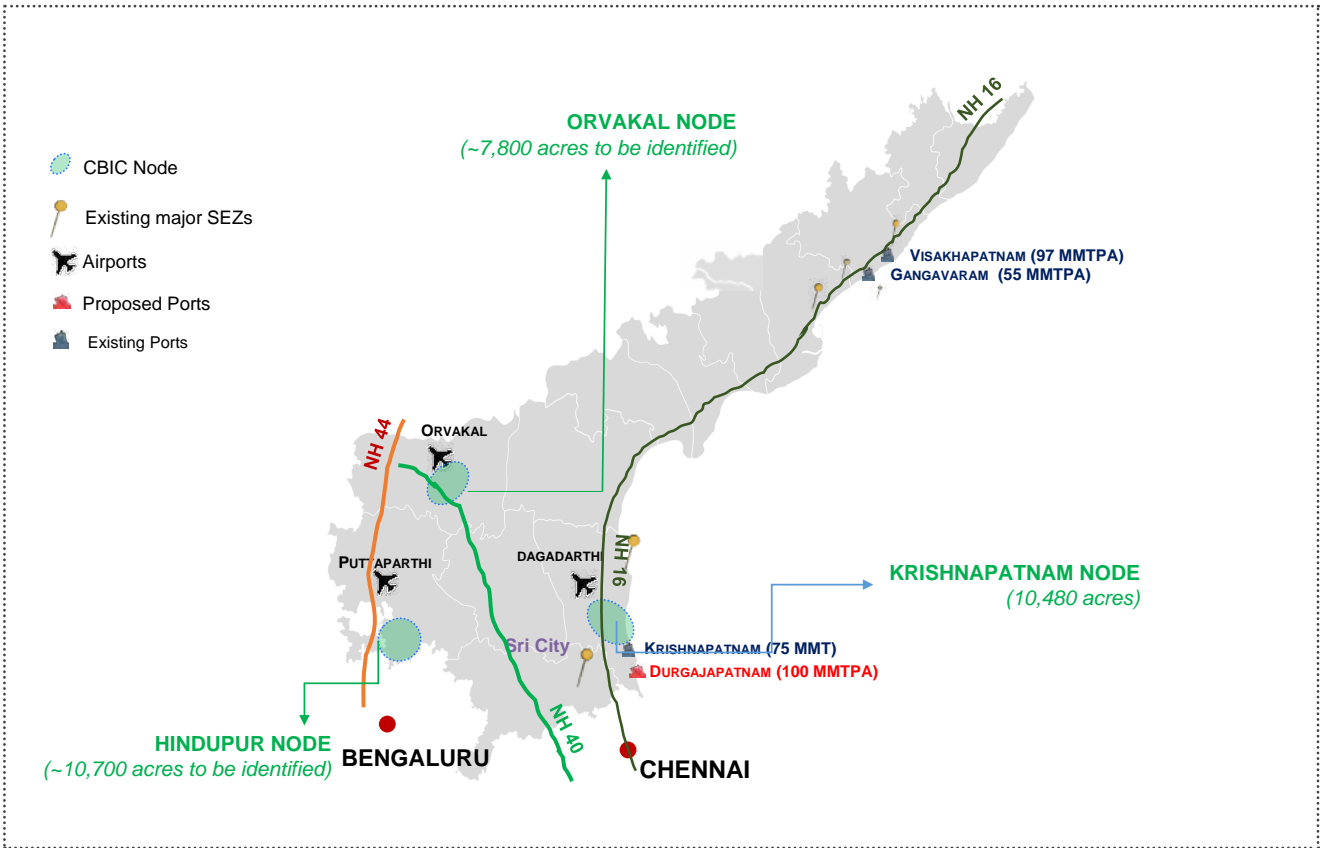


## Chennai Bengaluru Industrial Corridor

- CBIC is expected to drive growth of both large industries and SMEs and boost exports by focusing on sectors like electronics, automobile, textiles and food processing
- Three nodes are proposed under CBIC – Krishnapatnam, Hindupur and Orvakal
- CBIC has been included under National Industrial Corridor Development and Implementation Trust (NICDIT), which is an apex body under administrative control of DIPP
- Krishnapatnam Node will be developed in Phase – I of CBIC
- Conceptual Master Plan for the Krishnapatnam node completed



### Chennai Bengaluru Industrial Corridor (CBIC)

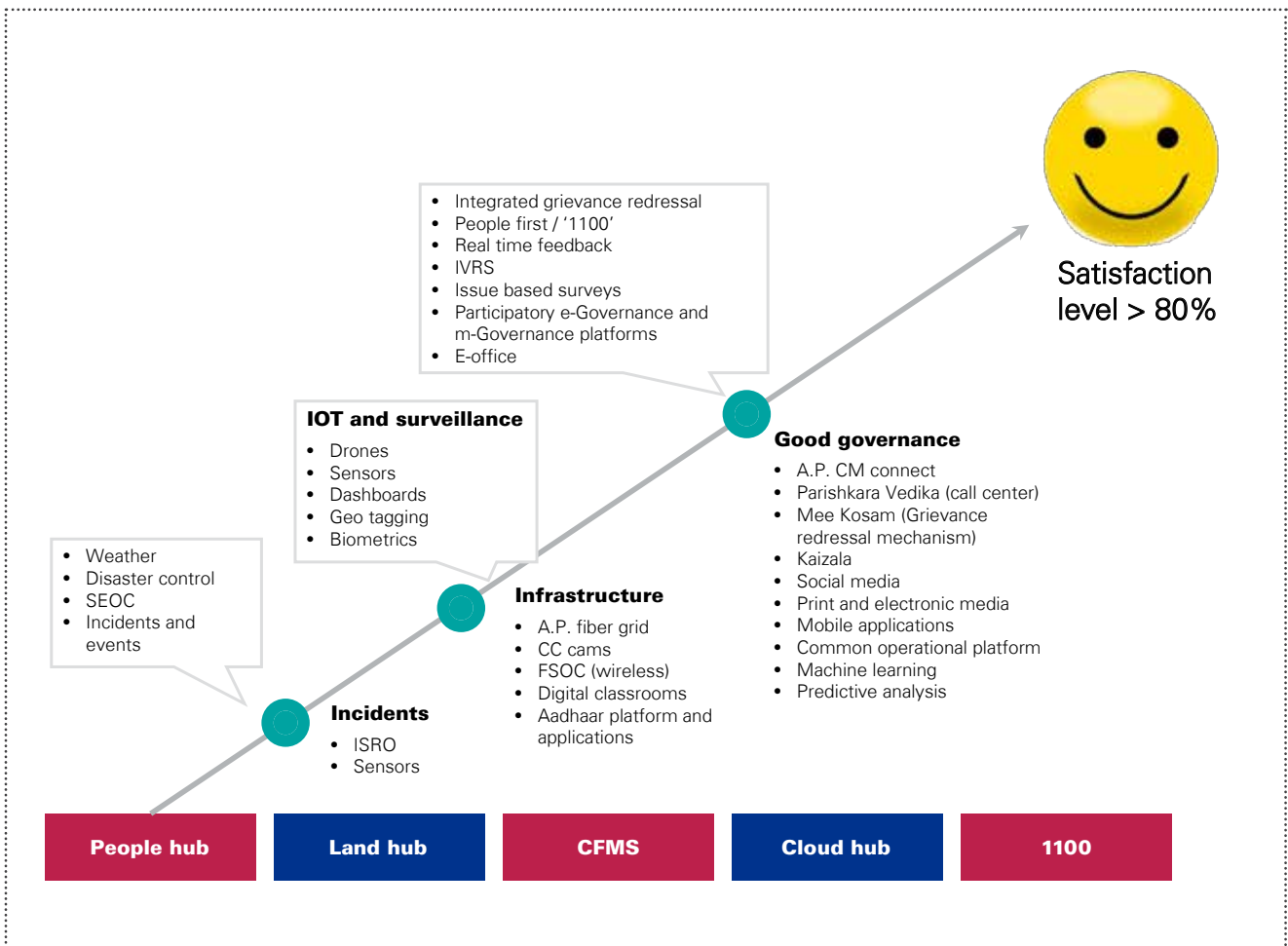


## Real-Time Governance (RTG)

With the objective of bringing both efficient and effective governance closer to the citizens by leveraging e-Governance, technology and electronic communication, 'Real-Time Governance (RTG)' has been adopted by the GoAP. RTG has been implemented as a unified platform ecosystem with data integration from multiple departments and sources. It enables data driven decision making in real time with the ultimate objective of achieving 80 per cent citizen satisfaction. It is also aims to increase public participation in state governance.

RTG is helping the State in efficiently monitoring key social and economic indicators, vision 2029 parameters, Andhra aligned-SDGs and all state issues on a real-time basis. It has permeated across sectors like agriculture, irrigation, health, education, disaster management, financial management, citizen centric services, etc.

### Objectives and components of RTG: People first





### Key initiatives:

- Real-Time Governance Centre (RTGC) inaugurated at AP Secretariat. It is Asia's biggest integrated control and command centre. 13 district centers are being setup along the primary RTGC
- 'People First' campaign – Call centre based real time monitoring of all welfare schemes
- e-Pragati, a state-wide Enterprise Architecture, is the largest eGovernance programme approved by any state in India. It covers 33 departments, 315 agencies & around 745 services
- Fibergrid with 25,000 kms of fiber has been laid across the entire state to provide network connectivity to entire State. Connectivity through fibergrid enables real-time monitoring
- Innovative and citizen centric e-governance projects such as Mee Seva, Mee Kosam, Mee Bhoomi, to ensure improved delivery of services and faster grievance redressal of citizens
- Chief Minister's Office Realtime Executive (CORE) Dashboard and AePDS have been cited by the Niti Aayog as replicable best practices for other governments in India to emulate
- Implemented a 'People Hub' which is designed as a state-wide single source of data on people
- Other RTG initiatives across sectors include:
  - Real-time ground water monitoring using sensors,
  - Real-time weather monitoring using sensors,
  - Real-time reservoir monitoring through sensors and drone technology,
  - Health – CC Cams using sensors for laboratory equipment,
  - e-Aushadhi
  - NTR Bharosa using biometric/ iris devices,
  - Real-time monitoring of Street Lights using sensors
  - Police – CC Cams
  - Revenue – Mobile application
  - Rural development using mobile application.



# Sunrise Andhra Pradesh Vision 2029

## Towards a happy and globally competitive society

- Sunrise Andhra Pradesh Vision 2029 (Vision 2029) that envisions the entire state machinery to work in tandem towards a unified goal – achieving the best standards for all in an inclusive society.
- Synchronised with the overall aspiration of the state, Sunrise AP Vision 2029 was put in place with the objective to be a 'Happy and Globally Competitive and Innovation Driven Society' by becoming one among the top three most developed States in India by 2020, achieving developed state status by 2029 and becoming a leading global destination by 2050.
- Vision 2029 includes seven missions to expedite socio-economic growth by focusing on social capital, economic infrastructure and governance, five awareness campaigns to encourage stakeholder participation, and establishment of five grids to enable each household access to basic amenities within a defined timeframe.

<p><b>By 2022</b></p> <p>To be among top three most developed states in India</p>	<p><b>By 2029</b></p> <p>To be #1 state in development and happiness</p>	<p><b>By 2050</b></p> <p>To be a leading global destination for investments</p>
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- Key targets for Vision 2029 include:



**Economic growth** CAGR 12%



**Cumulative investments** estimated between INR84 trillion (USD1.3 trillion) to INR97 trillion (USD1.5 trillion)



**Human development index** value of over 0.9



**Global competitive index** to be among top 15 countries



**Employment:** Generate 14.4 million additional job opportunities

Source: Sunrise Andhra Pradesh Vision 2029, Vision Management Unit INNOVATION APSDPS, Planning Department, Government of Andhra Pradesh, July 2017



## Seven key missions<sup>14</sup> - The progress so far

### Primary sector

- Used rain-gun technology for drought mitigation
- Nearly 1.0 million minor irrigation sources now in Andhra Pradesh vs. 9,72,000 sources previously
- About 6,93,000 hectares (Ha) covered under micro-irrigation
- Micro-nutrients distribution to farmers – 10 per cent improvement in yield seen
- 1.553 million Ha covered under micro-nutrient fortification
- First in oil palm cultivation.

### Urban development

- Strengthen the capital city Amaravati - confluence of 9 cities
- Placed 16 Urban Local Bodies in top 100 clean cities in the country
- Andhra Pradesh is currently the third state with maximum clean cities in top 100
- Sanctioned more than 90,000 houses for urban poor.

### Social empowerment

- Adopted Sustainable Development Goals (SDGs) to eliminate poverty, injustice and tackle climate change
- Around 24.97 per cent growth in urban population
- Facilitated free lab investigations to patients under NTR Vaidya Pariksha
- Trained 8,96,440 DWACRA groups comprising 90,36,616 women
- Around 97 per cent children vaccinated.

### Service sector

- Attracted 7.5 million visitors annually
- Contributed 46 per cent to GVA

### Industry sector

- Set-up two industrial corridors – VCIC, CBIC
- Established 57 large and mega projects
- Attracted total investment of INR50.51 billion (USD785 million)
- Ranked first in ease of doing business
- Provided online industrial incentives
- Organised two partnership summits.

### Knowledge and skill development

- Enabled 1,638 schools with digital classrooms
- Employed 1,325 headmasters and 1,07,000 teachers trained
- Set-up 1,360 colleges offering professional courses
- Trained and placed over 90,000 students under skill development program.

### Infrastructure

- Enabled port-led development for industrial growth corridors and logistic hubs, improved road connectivity, ease of doing business
- Developed deep draft ports with cumulative capacity of 250 MMTPA; plans to increase to 750 MMTPA
- Road network of 4,700 kms in the state
- Second longest coastline of 974 kms
- Became a power surplus state.

14. AP Socio Economic Survey 2016-17 and Sunrise Andhra Pradesh Vision 2029, Vision Management Unit INNOVATION APSDPS, Planning Department, Government of Andhra Pradesh, July 2017

# Making AP globally competitive

## Working towards becoming one of the top 10 economies in the world

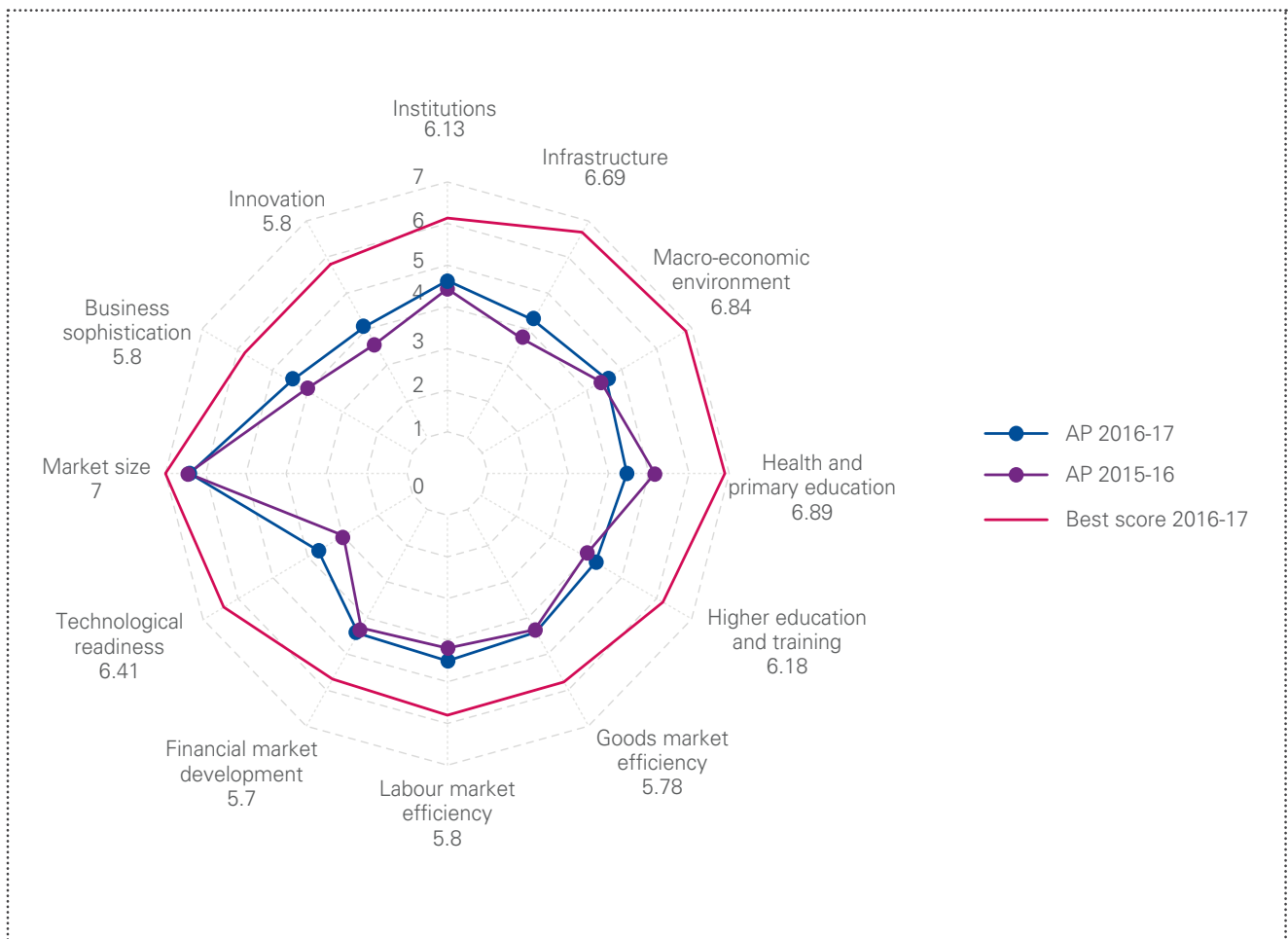
In 2015, the GoAP signed a MoU with the World Economic Forum (WEF) to assess its economy viz. the twelve pillars elaborated by the Global Competitiveness Index (GCI), which not only provides a cross-country comparison across the globe over the defined set of indicators, but also enables to do an assessment of economies of similar socio-economic profiling and hence provides learning from best practices of higher ranked economies<sup>15</sup>.

The GoAP assessed the competitiveness – both strengths and weaknesses – of the state’s economy based on the GCI framework. In 2015, AP became

the 141st economy in the world, and first in India, to implement this Index. It not only became the first Indian state to conduct such an empirical analysis but was also positioned ahead of the national value. The state surpassed India’s rank of 55 and score of 4.31 with 51st rank and a score of 4.37<sup>15</sup>.

For the year 2016-17, the state scored 4.57/7 and GCI equivalent rank of 36 surpassing India’s 2016-17 value of 4.52/7 and rank of 39<sup>15</sup>.

### Impact assessment

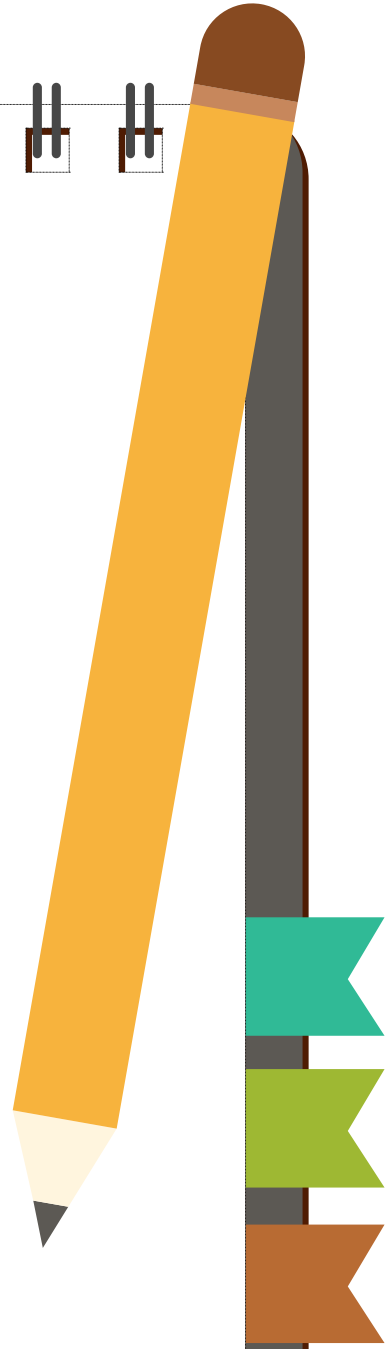


15. The global competitiveness index: Andhra Pradesh 2016-17

## GCI 2016-17 rankings

Economy	Score	Current rank
Switzerland	5.81	1
Singapore	5.72	2
United States	5.70	3
Germany	5.57	5
United Kingdom	5.49	7
Japan	5.48	8
Taiwan, China	5.28	14
United Arab Emirates	5.26	16
Malaysia	5.16	25
Korea, Rep.	5.03	26
China	4.95	28
Thailand	4.64	34
<b>Andhra Pradesh</b>	<b>4.57</b>	<b>36</b>
Kuwait	4.53	38
<b>India</b>	<b>4.52</b>	<b>39</b>
Russian Federation	4.51	43
South Africa	4.47	47
Brazil	4.06	81

	AP				India			
	2016-17		2015-16		2016-17		2015-16	
	Rank	Value	Rank	Value	Rank	Value	Rank	Value
GCI	36	4.57	51	4.37	39	4.52	56	4.31





# No. 1 in DIPP and the World Bank's 'Ease of Doing Business' ranking for Indian states, 2016



# Attracting investments, accelerating economic growth

In 2015, the Department of Industrial Policy and Promotion (DIPP) in collaboration with the World Bank initiated a programme to rank Indian states on ease of doing business parameter. Andhra Pradesh ranked second, implemented a slew of measures to simplify the government processes for granting of regulatory clearances for setting up and running a business in the state.

In 2016-17, the state improved its ranking and is now ranked as no. 1 state in the country on Ease of Doing Business (EoDB). An investor friendly state, Andhra Pradesh, took the following measures to provide a conducive business environment to investors:

- Single desk portal, mainstay of the reforms, is an online platform available 24x7 for obtaining necessary regulatory clearances
- No physical interaction with the departments, the state discourages any direct interaction between investors and departments.
- Self-certification based approvals, as many as 15 approvals are granted on the spot based on self-certification by the investor
- Joint inspections, to ensure investor convenience, inspections of several departments such as Labour and Factories are combined into one inspection
- Single integrated returns under labour reforms
- Online application and sanction of incentives, transparent process of applying and sanctioning of industrial incentives



- Spot approvals for allocation of raw materials such as coal and ethanol, highly efficient especially for industries such as pharmaceuticals, ceramics etc.
- Technology enablement, system driven scrutiny of drawings, risk based categorisation for inspections
- Guarantee of service delivery, public service delivery guarantee for ensured delivery of regulatory clearances within defined service levels.

29 out of 39 approvals are provided within 15 days

19 departments, 15 spot approvals, 6 within a week, 8 within 15 days, 17 within 21 days

>25,000 approvals granted through single desk portal since June 2015

Guarantee of service through 'public service delivery guarantee'

EoDB reforms are supported by robust policy and governance environment. Instruments like 'single desk policy' and 'public service delivery guarantee' help assure seamless implementation of reforms

Single Desk Bureau (SDB), established in June 2016, is the governing body that oversees the functioning of 'single desk portal' including providing deemed approvals in case of breach of SLA. Led by the industries department, it has representation from all departments involved in granting approvals. The SDB convenes on a fortnightly basis to review SDP progress, pendency and accord deemed approvals, if necessary. No applications can be rejected without the concurrence of SDB.

The state strives to be globally competitive and plans to benchmarking itself against the top ranked countries in the world. A benchmarking study has been initiated to adopt best practices in the areas of electricity connection, construction permit, land administration, property registration, etc.

## Strong enablers for equitable and decentralised industrial development<sup>16</sup>

<h3>Enabling policy environment</h3>	<h3>Industrial land bank</h3>	<h3>Getting electricity</h3>
<p>Robust policy environment through industrial and sector-specific policies, with best-in-class policy instruments and fiscal incentives.</p> <ul style="list-style-type: none"> <li>Industrial development policy</li> <li>Sector policies: Aerospace and Defence Manufacturing, Automobile and Auto Components, Biotechnology, Food Processing, Fisheries, Retail Trade, Textile and Apparel, MSME, Tourism</li> <li>IT sector: IT, electronics, Global In-House Centers (GIC), designated technology parks, innovation and startups, cloud hub</li> <li>Infrastructure: Port, solar power, wind power, civil aviation</li> </ul>	<ul style="list-style-type: none"> <li>GIS-enabled large industrial land bank; online process for application, processing and payments</li> <li>Lower prices for industrial land against comparable Indian states; land given on outright sale basis</li> <li>Focus on implementing sustainable and green Industrial practices in select industrial parks</li> <li>Scope for developing industrial parks on PPP basis</li> </ul>	<ul style="list-style-type: none"> <li>First state in South India to offer 24x7 quality and reliable power to industry and second state to achieve 100 percent electrification</li> <li>Ranked #1 state in the country in 'Energy Efficiency Implementation Readiness' by the World Bank</li> <li>Energy transmission &amp; distribution losses (9.80 per cent) amongst lowest in the country</li> <li>Strong focus on renewable energy; 18 GW renewable energy capacity (10 GW Solar, 8 GW Wind) by 2021-22</li> <li>Winner of multiple awards for power saving initiatives and energy efficiency activities, conferred by the Union Ministry of Power</li> </ul>
<h3>Connectivity</h3>	<h3>Industrial infrastructure</h3>	<h3>Industrial water supply</h3>
<ul style="list-style-type: none"> <li>Ports: Second longest coastline (974 km) in India, 14 notified ports of which 6 are operative ports with deep draft capable of handling the largest of vessels</li> <li>Airports: Five operational airports; New Greenfield International Airport at Bhogapuram (Vizianagaram district), Dagadathi (Nellore district) and domestic Airport at Orvakal (Kurnool district).</li> <li>Road network – 46,962 km (6,401 km of national highways running through the state)</li> <li>Railway - 7,040 track km of network</li> <li>Inland water transport - 888 km national waterway</li> </ul>	<ul style="list-style-type: none"> <li>Focus on industrial corridors for development; Visakhapatnam – Chennai Industrial Corridor (VCIC) and Chennai–Bengaluru Industrial Corridor (CBIC)</li> <li>Under VCIC, master plans for Visakhapatnam (7,680 acres) and Srikalahasti – Yerpedu (11,000 acres) nodes completed; Under CBIC, Krishnapatnam (15,975 acres) node being developed</li> <li>Proposed Coastal Employment Zone (CEZ) near Krishnapatnam</li> <li>Electronics Manufacturing Clusters (EMC) in Tirupati, Anantapur, Visakhapatnam</li> <li>Ultra mega food park in Kurnool, mega food park at Mallavalli (Krishna district)</li> <li>MSME parks to be developed in 175 assembly constituencies</li> </ul>	<ul style="list-style-type: none"> <li>Steps undertaken to provide industrial water supply in Hindupur (Anantapur district), Orvakal (Kurnool district) and industrial clusters in Chittoor district</li> <li>Connecting to water sources such as Gandikota reservoir Veligallu reservoir, Kandaleru reservoir, and Srisailam foreshore</li> <li>10 TMC of water planned across industrial clusters to support industrial development</li> </ul>

16. Andhra Pradesh Industries Department, GoAP, accessed on 12 February 2018





# Focus sectors

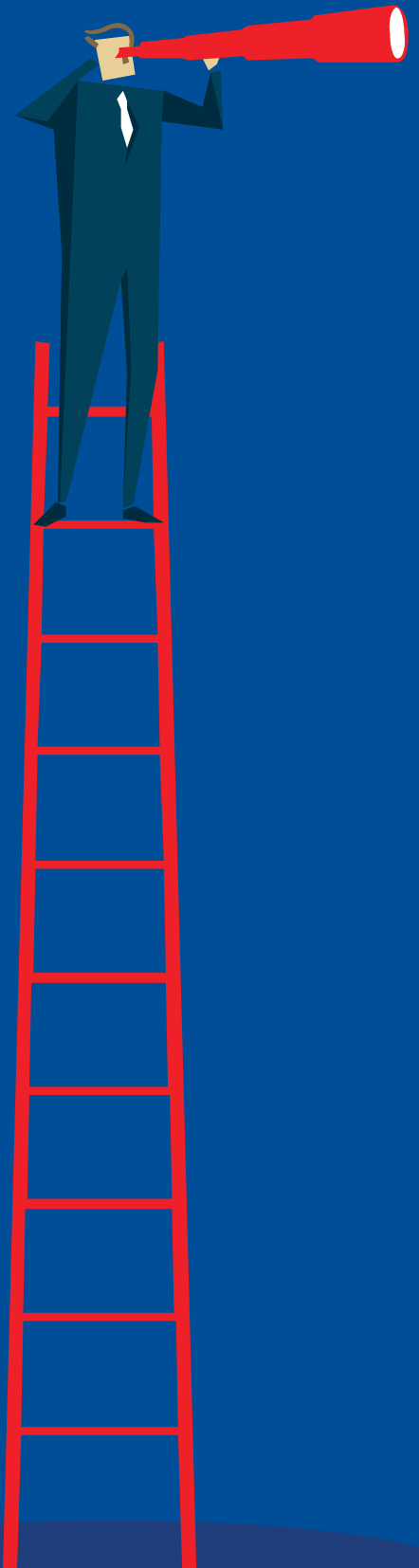
The Andhra story has just started. Strong commitment to development, robust infrastructure, stable social ecosystem and international visibility, Andhra Pradesh has enormous potential to become a global business hub.

The 'Sunrise Andhra Pradesh Vision 2029' sets an ambitious target for economic growth for the state - sustained double digit growth rate of 12 per cent, with a 1 per cent increase in productivity.

Understanding that growth targets cannot be achieved only through growth in agriculture, the state has aggressively worked on industrial growth through adequate policy and governance framework. Consequently, the Industrial Development Policy 2015-20 was formulated, which aims to foster innovation and create employment opportunities across identified priority sectors. Andhra of the future envisions holistic growth across all the focus sectors of the state.

Developments over the last four years have also led to the emergence of investment opportunities in other areas along with identified focus sectors.

The following section presents Andhra Pradesh's strengths, achievements and investment opportunities across some of the key sectors.

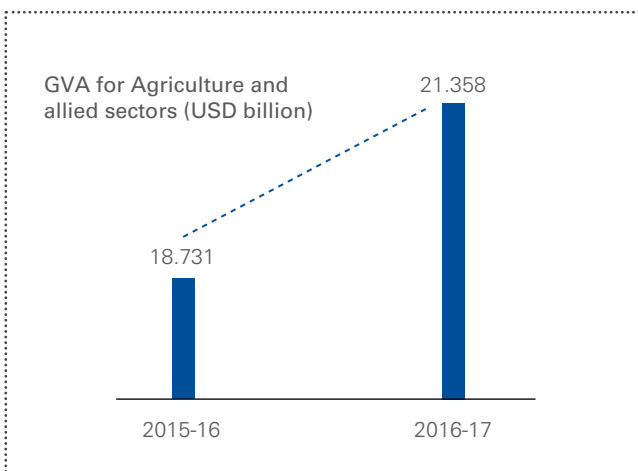




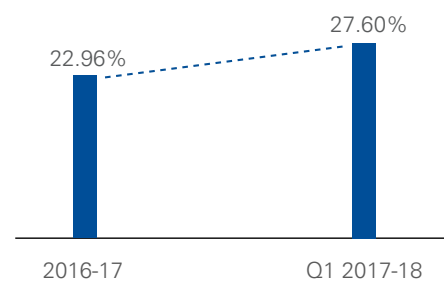
# Agriculture and allied sectors

## Sector overview

Andhra Pradesh is working towards doubling the contribution of agriculture to the GSDP to INR600 billion (USD9.23 billion) by 2021.<sup>01</sup> The state has improved its total food grain productivity in the recent years and strengthened its PDS of nearly 30,000 fair price shops and 14.2 million households owning food cards.<sup>02</sup>



### Agriculture and allied sectors growth



- Budget allocation of INR90.91 billion (USD1.4 billion) for FY2017-18
- Increase in net irrigated area to 2.4 million Ha
- Agriculture credit plan increased by 50 per cent in 2017 with a corpus of INR832 billion (USD12.8 billion)
- Single largest employer of the state, engages nearly 55 per cent of the state's labour force

01. A.P Socio-Economic Survey 2016-17

02. Sustainable Development Goals, Status Report 2017 and The Way Forward, State Planning department, GoAP



## Andhra Pradesh's competitive advantage

### Agriculture

- Growth rate of 11.61 per cent as compared to 7.11 per cent in India (FY2016-17)
- Second largest producer of paddy and maize
- Second largest producer of raw silk

### Horticulture

- First in mango and papaya production
- Largest producer of lemon, tomato, chilli and turmeric
- Contributes ~46 per cent to India's chilli production

### Fisheries

- Sector identified as a growth engine
- Third in global shrimp production and first in India
- Sixth in global aquaculture production
- Contributes to 1.19 per cent of global and 20.77 per cent of national fish production (2014-15)

### Dairy and poultry

- First in egg production in 2017
- Second in meat production in 2017
- Third in milk production
- Leading state in poultry meat production

## Schemes at a glance

### Soil health cards

- 3.557 million SHCs set as target SHCs distribution target per yr.
- 1.011 million (28 per cent) SHCs distributed so far in second cycle, first phase
- AP first in India for second consecutive time in soil analysis and soil health card distribution during FY2016-17

### Micronutrients

- 94,796 MTs (91 per cent) micronutrients distributed
- 1.057 million ha (102 per cent) area covered to rectify micronutrient deficiencies in different crops in FY2017-18
- Enhancement of INR7.2 billion (USD111 million) in farmers' income
- Micronutrients worth INR865 million (USD13.3 million) supplied on 100 per cent subsidy

### Distribution of inputs

#### Seed

- Seed subsidy worth INR4.0935 billion (USD62.9 million) extended to farmers during FY2017-18
- 7,18,000 Qtls (63 per cent)
- Kharif seed distributed in FY2017-18
- 3,18,000 Qtls (88 per cent)
- Rabi seed distributed

#### Fertilizers

- 1,57,000 MTs reduction in fertilizers consumption during Kharif 2017 over Kharif 2016
- INR2.23 billion (USD34.3 million) saved to the farmers
- INR1.52 billion (USD23.3 million) saved to Gol in the form of fertilizer subsidy

### Farm mechanisation

- Target of providing Rythu ratham tractors to 12,000 farmers in FY2017-18. Only 6353 (53 per cent) distributed so far
- 21 Custom Hiring Centres (CHCs) developed under PPP mode in FY2017-18
- National average farm power of 1.8 KW/Ha
- State average farm power of 1.64 KW/Ha

### Crop insurance

- 1.9 million farmers insured in FY2017-18
- 2.03 million ha area insured in FY 2017-18
- Gross premium of INR13.88 billion (USD213.6 million) collected in FY2017-18

### Loans

- INR560.7 billion (USD8.63 billion) (89 per cent) crop loans disbursed during FY2017-18
- INR145.45 billion (USD2.24 billion) (60 per cent) agriculture term loans disbursed during FY2017-18
- INR18.34 billion (USD282 million) tenant loaning for 6,00,000 farmers in FY2017-18

### Natural farming

- 399 clusters implemented ZBNF during 2016 and FY2017-18
- 5,00,000 Ha and 5,00,000 farmers fixed as target for five years
- So far, 1,98,000 farmers and 83,744 Ha implemented in AP

## Key reforms/plans in place

- Promotion of integration of technology (primarily farm mechanisation) with agriculture for improving efficiency of agriculture and related sectors<sup>03</sup>
- Micro irrigation, drip irrigation, 'panta sanjeevani', rain gun, farm ponds and drought proofing measures being implemented
- Organised national seminar on 'Trends in Farm Mechanisation and Engineering Interventions for Sustainable Agriculture' to promote use of technology in agriculture<sup>04</sup>
- Organised 'Chandranna rythu kshetralu' and 'Polam-Pilustondi' (Farm is calling) campaign wherein officials visit the farm twice a week to promote advanced technology among farmers<sup>05</sup>
- The state has partnered with 'Sustainable India Finance Facility' (SIFF) a collaborative initiative of United Nations (UN) Environment, World Agroforestry Centre, and BNP Paribas for scaling up natural farming<sup>06</sup>
- Andhra Pradesh Integrated Irrigation & Agriculture Transformation Project (APII&ATP) being implemented with World Bank's assistance of INR16 billion (USD296 million)<sup>07</sup>.

03. Sunrise Andhra Pradesh, 'Achieving Sustainable Development Goals 2030 – Baseline, Targets and Strategy'

04. AP to set up 1000 Custom Hiring Centers, The Hindu, 20 January 2017

05. Sunrise Andhra Pradesh, 'Achieving Sustainable Development Goals 2030 – Baseline, Targets and Strategy'

06. Andhra Pradesh plans to scale up zero budget farming with UN-backed SIFF, The Economic Times, 25 January 2018

07. Andhra Pradesh Agriculture Budget 2017-18

## Major achievements

- Soil health cards:
  - Distribution of 1 million ‘soil health cards’ carrying recommendations on crops and rectification of micronutrients deficiency in soil<sup>08</sup>
- About 27,000 Ha areas covered under micro-irrigation from 2014 to 2017
- Procurement and supply of seeds through Aadhar-enabled web land based biometric system-enabled transparency and plugged the field level manipulations in seed distribution
- Horticulture registered a growth of 16.97 per cent in 2017<sup>09</sup>
- Fisheries has been identified as one of the growth engines for achieving double digit inclusive growth
- Andhra Pradesh – The aqua hub
  - Andhra Pradesh ranks #1 in marine product exports, aquaculture shrimp production and area under aquaculture with its contribution of 42.62 per cent, 70 per cent and 30 per cent respectively to the national share.<sup>10</sup>

## Future plans/potential investment opportunities

- Introduction of ‘Seed Act’ to standardise quality of seeds
  - A mega seed park in Kurnool to set-up world class laboratories, seed processing facilities, R&D centres and facilities with international quality to export the seed<sup>11</sup>
- Develop itself as a major ‘horticulture hub’ with net sown area upto 35 per cent over the next three years<sup>12</sup> - INR2 billion (USD37.04 million) outlay for horticulture
- Fisheries and livestock are major growth engines of state’s economy
- Mechanise 60 to 70 per cent of farming and allied activities as against the current 20 per cent<sup>13</sup>
- Set-up 1,000 CHCs – opportunity for organisations dealing in manufacturing agricultural machinery/farm equipment<sup>14</sup>
- Plan to scale up ZBNF to six million farm-lands across the state through farmer outreach<sup>15</sup>
- Increase horticulture acreage from 4 million acres to 10 million acres over the next six years
- Introduce micro-irrigation with precision irrigation techniques in horticulture
- Establishment of freshwater fish brood banks and certified seed nurseries
- Building of air cargo facilities for promoting exports of fish



08. Collector’s Conference, 19 January 2018

09. Annual Report 2016-17, Planning Department, Andhra Pradesh

10. AP Food Processing Society, Department of Industries & Commerce (FP), Government of Andhra Pradesh – accessed on 12 February 2018

11. Will develop State as seed capital, says Naidu, Economic Times, 10 October 2017

12. Andhra Pradesh Agriculture Budget 2017-18

13. AP to set up 1000 Custom Hiring Centers, The Hindu, 20 January 2017

14. AP to set up 1000 Custom Hiring Centers, The Hindu, 20 January 2017

15. Andhra Pradesh plans to scale up zero budget farming with UN-backed SIFF, Economic Times, 25 January 2018



## Case studies

### Avanthi Frozen Foods Pvt Ltd

- Annual shrimp production in Andhra Pradesh is 6,77,000 MTs and export is 3,00,000 MT
- Avanthi Frozen Foods has set up a Shrimp Processing Unit in East Godavari with an investment of INR1.15 billion (USD17.8 million)
- The unit uses world class technology and provides employment to 1,000 people directly and 3,000 indirectly
- Farmers covered under the project: 5,000
- Unit has been given a sanctioned grant of INR50 million (USD776,500) with sanctioned interest subvention of INR25 million (USD388,250)



### Vijayanagar Food and Nutraceuticals Pvt. Ltd

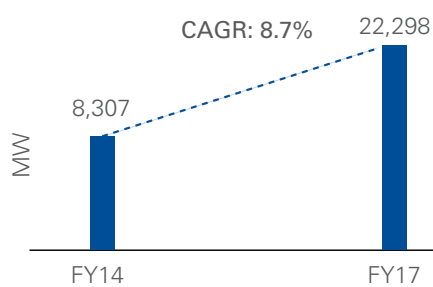
- Andhra Pradesh ranks fourth in production of coconut of 1,427 million nuts per year in India even though the processing and value addition of coconuts is meager in the state
- Vidyanagar Food and Nutraceuticals Pvt. Ltd is the first company in Andhra Pradesh to come up with a large Coconut processing plant in Srikakulum with an investment of INR70 million (USD1.08 million)
- The unit plans to process the coconuts of 2,00,000 nuts per day which will benefit 2,500 farmers in better price and development of livelihood in their villages.
- The unit uses world class technology with fully automated DCS system control and provides employment to over 500 people directly and 1,500 indirectly.
- Products: Extra virgin coconut oil, edible oil, roasted coconut oil, desiccated coconut powder high and low fat, cocopith, cocofiber, coconut water, coconut milk



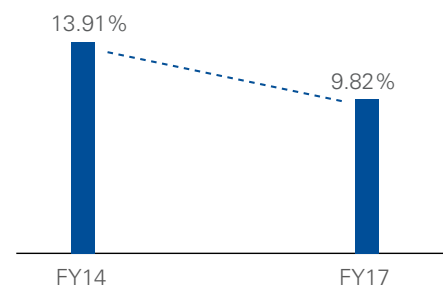
# Energy

## Sector overview

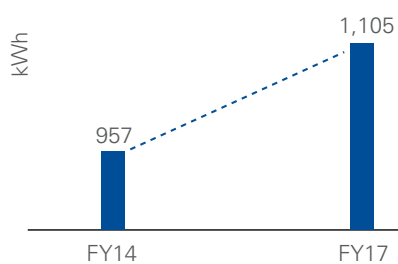
Installed capacity (MW)



T&D losses (%)



Per capita consumption (kWh)



Source: [http://www.cea.nic.in/reports/monthly/installedcapacity/2017/installed\\_capacity-03.pdf](http://www.cea.nic.in/reports/monthly/installedcapacity/2017/installed_capacity-03.pdf)



- 100 per cent household electrification
- 24x7 power supply
- 99.95 per cent transmission system availability

## Key reforms/plans in place

- Investment of INR92.35 billion (USD1.43 billion) in T&D segments since June 2014, thereby ensuring robust T&D infrastructure in place
- INR9.22 billion (USD143 million) under the 'Deen Dayal Upadhyaya Gram Jyoti Yojana' (DDUGJY) and INR6.5 billion (USD101 million) under the Integrated Power Development Scheme (IPDS) sanctioned by GoI for taking up various activities in rural and urban areas respectively
- High Voltage Distribution System (HVDS) for providing 49,319 agricultural services under the Japan International Co-operation Agency (JICA) at an estimated cost of INR2.65 billion (USD41.3 million)
- The GoAP released new wind and solar policies during 2015 with a plan of adding 5,000 MW of solar and 4,000 MW of wind energy in the state by 2022
- Subsidy of INR37 billion (USD5.76 billion) is provided by the state government for farmers towards free power supply during the current year.

## Major achievements<sup>17</sup>

- Currently ranked #1 among all Discoms under 'Ujwal DISCOM Assurance Yojana' (UDAY)
- Ranked #1 in 2016 by the World Bank in energy efficiency
- Power surplus state from 22 MU deficit per day in June 2014
- Reduced T&D losses from 13.40 per cent to 9.80 per cent which is currently the lowest in the country
- World's largest solar park at Kurnool with 1,000 MW capacity
- Technology interventions such as 'Andhra Pradesh Vidyut Pravah', 'Urja Mitra', 'Kaizala mobile application' developed by Microsoft, System Average Interruption Duration Index (SAIDI), System Average Interruption Frequency Index (SAIFI) across the value chain of the power sector have enhanced accountability
- Distributed 2,17,000 LED bulbs and 2,61,000 energy efficient fans, replaced 6,18,000 street lights and 8,350 non-ISI pump sets under various Demand Side Management (DSM) initiatives.

## Future plans/potential investment opportunities

- APGENCO is contemplating the addition of 11,210 MW at an estimated cost of INR665.38 billion (USD10.23 billion)\* over the next 10 years in a time bound manner
- Installation of around 1 million smart meters in the state
- Lowering of cost of power purchase by addition of 'smart local solar grids with energy storage'
- Reduce T&D losses to around 5 to 6 per cent by taking up local smart grid with wind solar hybrid along with storage
- Setting up of world's solar-wind hybrid park with storage facility for 160 MW capacity at Muthavakunta and Kanaganapalli villages
- Installation of solar micro grids and decentralised solar power generation plants
- Around 1,00,000 in-efficient pump sets are proposed for replacement with energy efficient ISI pump sets during the year
- Electric charging stations for future electric vehicles are in pipeline
- 4,000 MW capacity solar parks being developed in Anantapur, Kurnool and Kadapa districts.

\*APGENCO website, Ongoing Projects

17. Department of Energy, GoAP – accessed on 12 February 2018



## Case study<sup>18</sup>

- The state was facing severe energy deficit (22 MU per day) at the time of formation in June 2014
- The GoAP invested to double the installed capacity over the last 3.5 years. The energy met has increased from 43,810 MU during 2013-14 to 54,257 MU\* during 2016-17, registering an increase of 8.7 per cent annually. The peak demand has increased from 6,549 MW to 8,000 MW, registering an increase of 22 per cent.
- Currently, 24x7 power is being supplied to all consumers in the state including rural areas
- For agricultural consumers seven hours power is being supplied which is to be increased to nine hours in a phased manner
- 100 per cent household electrification was achieved on 8 June 2016
- Reduction in power purchase cost (From INR4.35/unit in 2015-16 to INR3.80/unit in 2017-18) helped in achieving much needed affordability
- So far, 6,554 MW capacity RE power projects have been installed in the state which includes 3,820 MW of wind power and 2,145 MW of solar power.

\*[http://www.cea.nic.in/reports/monthly/powersupply/2017/psp\\_energy-03.pdf](http://www.cea.nic.in/reports/monthly/powersupply/2017/psp_energy-03.pdf)

Source: [http://nredcap.in/PDFs/Tenders/RE\\_Status\\_31\\_01\\_2018.pdf](http://nredcap.in/PDFs/Tenders/RE_Status_31_01_2018.pdf)



18. Department of Energy, GoAP – accessed on 12 February 2018

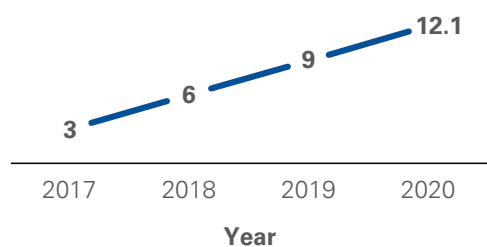


# Education and skill development<sup>32</sup>

## Sector overview

The state achieved nearly 99 per cent enrollment at schools at the elementary level and 91.5 per cent at the secondary level in 2016-17.

Skilling the masses - number in million



Source: AP Socio-Economic Survey 2016-17

## Andhra Pradesh's competitive advantage

- Dedicated Skill & Knowledge Mission set up to transform the State into an education and knowledge hub
- Top institutes like AIIMS for medical education, NID (National Institute of Design), IITs to impact world class technical education and many top universities and private colleges
- Focus on transforming the workforce into skill ready and industry ready in line with global best practices

Source: Sunrise Andhra Pradesh Vision 2029, AP Socio-Economic Survey 2016-17



32. AP Socio-Economic Survey 2016-17  
Sunrise Andhra Pradesh Vision 2029, Vision Management Unit INNOVATION APSDPS, Planning Department, Government of Andhra Pradesh, July 2017  
Andhra Pradesh SDG Report 2017  
Andhra Pradesh State Budget 2017-18



School education	Intermediate education	Collegiate education	Technical education
<ul style="list-style-type: none"> <li>61,528 schools</li> <li>Enrolment - 6.85 million.</li> </ul>	<ul style="list-style-type: none"> <li>3,264 junior colleges</li> <li>Enrolment -5,40,000 (first year).</li> </ul>	<ul style="list-style-type: none"> <li>287 degree colleges</li> <li>Enrolment - 1,85,000.</li> </ul>	<ul style="list-style-type: none"> <li>1,360 professional colleges</li> <li>3,131 polytechnical colleges</li> <li>Enrolment - 4,00,000.</li> </ul>

## Major achievements<sup>33</sup>

- The state has built primary schools within 1 km and upper primary schools within 3 km of all habitations
- In primary education, ratio of girls to boys has improved from 0.94 in 2014-15 to 0.95 in 2016-17. For secondary level, the ratio has stood at a commendable level of 1.01 over the past two years
- A total of 120 Jawahar Knowledge Centres were established in government degree colleges and 14,460 students were trained over 250 hours
- Around 1,638 schools have digital classrooms out of the proposed 5,000 schools during 2016-17 and 2017-18 with a total cost allocation of INR450 million (USD6.9 million)
- E-Hazar – Aadhaar enabled Biometric Attendance implemented in >41,600 schools to improve student and teacher attendance
- Collaboration with a European multinational software company to setup world class '3D experience' labs in various engineering colleges with a target of training 1,00,000 youth in next three years
- A total of 98,617 unemployed youth have benefitted under the non-academic stream out of which 75,413 were placed through job fairs so far.

## Key reforms/plans in place

- The 'Sarva Siksha Abhiyaan', 'Rashtriya Madhyamik Siksha Abhiyaan' are two schemes in the state aimed at reinforcing education in schools in accordance to the enrolment, quality, access as well as retention
- Under the centrally sponsored Rashtriya Uchchatar Shiksha Abhiyan (RUSA), construction of new model degree colleges in six districts are under progress with an outlay of INR120 million (USD1.8 million)
- Andhra Pradesh has taken up women and girl child focussed schemes such as 'Maa Inti Mahalakshmi' to support girl children from their birth until they complete their graduation
- The state's efforts to universalise elementary education for all children have been channelised through a dedicated campaign called 'Badi Pilustondi' (school is calling)
- Under academic stream, priority has been given for establishing 275 CM's skill excellence centres in engineering colleges and 390 employability skill centres in degree colleges with a total target to train 3,00,000 youth
- Under non-academic scheme, priority has been given to job fairs, Youth Training Centres (YTC-Tribal) and upskilling with the target of training 1,30,000 youth
- In collaboration with a German conglomerate, total 40 centres (6 CoEs and 34 Technical Skill Development Institutes (t-SDI)) have been established with a capacity to train 1,00,000 of which 25,233 candidates have been trained so far.

33. Sustainable Development Goals Status Report 2017 & Way Forward, Planning Department, Government of Andhra Pradesh  
Andhra Pradesh State Skill Development Corporation  
AP Socio-Economic Survey 2016-17

## Future plans/potential investment opportunities

- Virtual class rooms have been proposed in around 3,500 schools as a remote education solution.
- By 2029, the state targets to train 18.5 million youth in employable skills
- Drones skilling program, which is first of its kind in the whole country has been initiated with a target to train 120 in FY2017-18 and 1000 in FY2018-19
- Sector specific training programs have been proposed in FY2018-19 by engaging well known industry bodies, government institutions and Sector Skill Councils with a target of training 1,00,000 unemployed youth in FY2018-19

## Case study

### Kasturba Gandhi Balika Vidyalayas (KGBVs)<sup>34</sup>

- There are 352 KGBVs in Andhra Pradesh out of which 175 schools achieved a pass percentage of 100 per cent in SSC 2015-16
- Around 54 students from KGBVs have secured admission in IIT for the academic year 2016-17
- Special care is being given to CWSN (Children with Special Needs) studying in KGBVs
- In 2016, a deaf-mute student scored a GPA of 10/10.

### e-KGBV

- Andhra Pradesh is the first state in the country to introduce digital class rooms in all 352 KGBVs and also proposed to provide intermediate education in at least one KGBV per district from the academic year 2017-18
- 13 KGBVs are proposed for upgradation as junior colleges in the first phase
- Solar power systems were provided in 65 KGBV schools in remote/agency areas towards self-sufficiency in power generation
- NCC units are proposed for all KGBVs during this year to build up self confidence among KGBV girls
- 'Magic English Second Language Learners Programme' in KGBV schools is a two-year immersive English language programme aimed to rapidly improve the English speaking proficiency of children from predominantly non-English environments in collaboration with Karadipath organisation with support from UNICEF.



34. AP Socio Economic Survey 2016-17, Planning Department of Government of Andhra Pradesh

## Andhra Pradesh State Skills Development Corporation and a German conglomerate company initiative<sup>35</sup>

- First of its kind as a single platform in capacity building with various skill set and giving priority for all core sectors by giving more priority to 'Make in India'
- CoEs are equipped with state-of-the-art tools and technologies and serve as a 'Technical Knowledge Resource' for industry and a 'Hub' for t-SDIs
- 't-SDIs' are focused on skilling students in vocational trades at the Polytechnic/ITI level
- Target group: Engineering and Polytechnic candidates (including alumni), ITI and school dropouts.
- Sectors and trades covered: Automobile, Aerospace and Defence, Mineral Based Industries, Electronics and IT, Agro & Food Processing.

### Student training model:

- Student profiling: Will be informed by respective college for registration/maintenance of the database of students' profiles
- Training: The company 'learning methodology' involves experiential learning techniques to suit the industry needs
- Assessment: Continuous evaluation of students through tests and assignments
- Certification: On successful completion of course and assessment, a student will be issued a certificate from the company.



**6 CoE's**



**34 t-SDIs**



Established  
labs in **40**  
institutions



**31**  
engineering  
colleges



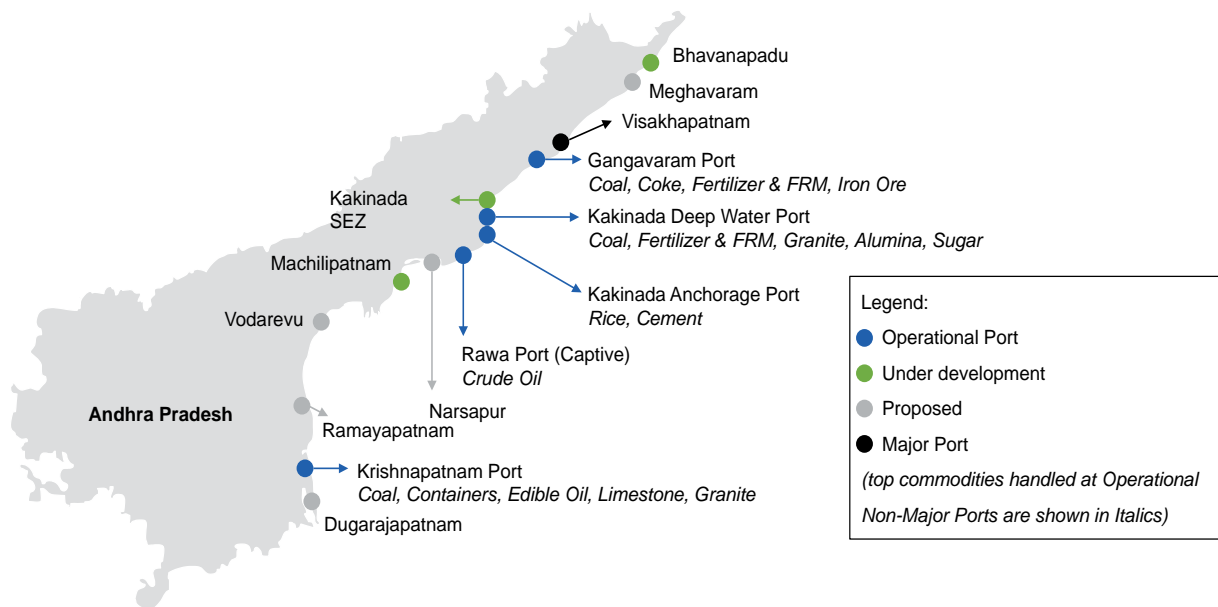
<sup>35</sup>. Andhra Pradesh State Skill Development Corporation



# Infrastructure: Ports and airports

## Sector overview

**5 operational non-major ports; 1 major port and 3 non-major ports under development**



**AP non-major ports handled 69.81 million MT cargo during FY2016-17**

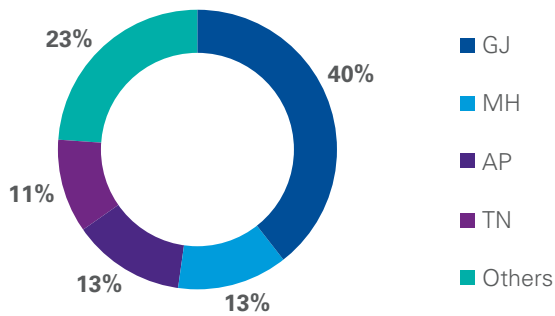
**Cargo volume at AP non-major ports has grown at 19.7% during FY2017-18 vis-à-vis FY2016-17 (up to December)**

## Andhra Pradesh's competitive advantage

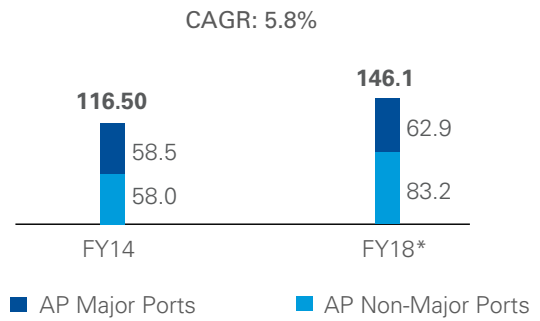
### Ports

- Among the ports on the East coast of India, the state's ports have the highest draft and combined capacity
- The state's ports enable reduction of total transit time to 2 to 3 days compared to the West coast of India for cargo movement from/to the East of India

Share of AP in the total cargo handled at Indian Ports - FY2018\*



Total cargo handled at Andhra Pradesh ports



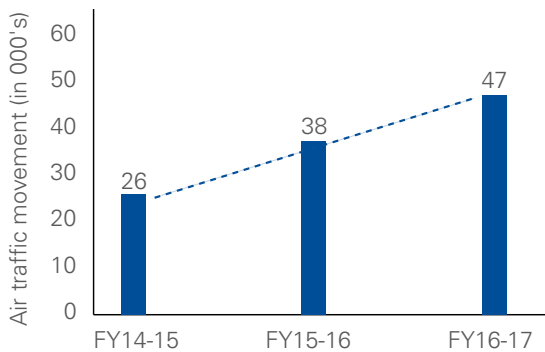
\*Values pro-rated for FY18 based on traffic till December 2017  
Source: Department of Ports, GoAP, accessed on 12 February 2018

Source: Indian Ports Association, accessed on 12 February 2018

### Airports

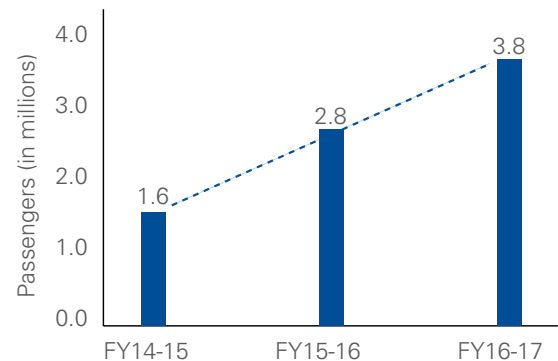
- Five operational airports in Andhra Pradesh
- New Greenfield International Airports at Bhogapuram (Vizianagaram district), Dagadarthi (Nellore district) and domestic airport at Orvakallu (Kurnool district)
- Robust intra-state connectivity with regular scheduled commercial flights

Air traffic movement at Andhra Pradesh airports (in 000's)



Source: Airports Authority of India, accessed on 12 February 2018

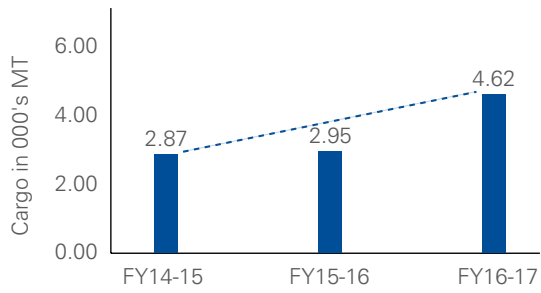
Passenger traffic data on Andhra Pradesh airports (in millions)



Source: Airports Authority of India, accessed on 12 February 2018



Volume of cargo at Andhra Pradesh airports (in 000's MT)



Source: Airports Authority of India, accessed on 12 February 2018

### Employment opportunity

- Every INR100 expenditure produces benefits worth INR325 for the local economy
- Every 100 direct jobs result in 610 new jobs created in the local economy



Source: International Civil Aviation Organization, accessed on 12 February 2018



# Ports

## Key reforms/plans in place

- Andhra Pradesh Port Policy has been notified in November 2015
- Inland vessel rules for the state have been notified
- Constituted AP State Sagarmala Committee
- AP Maritime Board Bill submitted to Gol for Presidential assent.

## Major achievements

- Department of Ports successfully implemented Phase 1 of the Smart Port System
- Prepared a holistic maritime concept master plan
- Reduced VAT on bunkering to among the lowest in the country
- Center of Excellence (CoE) built for deep sea and allied technologies
- Logistics university is being planned
- Setting up a number of multi-modal logistics parks at various locations in the state.

## Future plans/potential investment opportunities

- New ports – for the new capital city Amaravati at Machilipatnam, a Greenfield port at Bhavanapadu and KSEZ Port are planned
- Nine new passenger jetties are planned for development of tourism in the state
- Integrated ship engineering complex cum shipbuilding facility is under the initial stages of conceptualisation.



# Airports

## Key reforms/plans in place



Andhra Pradesh Civil Aviation Policy – 2015 was released by GoAP to support robust growth of aviation sector in the state to

- Proactively reduce the tax on Aviation Turbine Fuel (ATF) from 16 per cent to 1 per cent
- Assist with land acquisition and pooling for airport development
- Provide incentives/reimbursements to encourage development of airports and airlines to connect the cities of Andhra Pradesh
- Provide Viability Gap Funding (VGF) for underwriting seats in airlines for underserved sectors
- Provide Stamp Duty and Property Tax reimbursements for aircraft Maintenance, Repair and Operations (MRO), air cargo infrastructure, aviation education training.

## Major achievements



- Passenger traffic growth is one of the highest in India with passenger traffic recorded at 3.8 million in FY2017-18
- Development works underway at Orvakallu in Kurnool district at a cost of INR885 million (USD13.77 million) on 1,010 acres on EPC basis
- Capacity addition and airport expansion of airports at Rajahmundry, Vijayawada, Tirupati and Vizag airport.

## Future plans/potential investment opportunities



- Development of Greenfield International Airport at Bhogapuram and Dagadarthi
- Capital investments, presence of prominent tourist destinations coupled with major pilgrimage centers are boosting demand for enhanced air connectivity
- With passenger growth increasing at 30 per cent, more than 5 million passengers are envisioned to fly through state's airports in 2019
- International flights envisaged to commence from Vijayawada and Tirupati Airport in 2018, which may trigger further development of region through direct air connectivity from the Middle-East and far-East
- To support robust increase of traffic, GoAP envisages to develop regional airports across 8 districts to enhance domestic and intra-state air connectivity
- Administrative air strips planned to be developed in Kuppam and Bobbili to facilitate intra-state air connectivity
- Infrastructure development upgradation plans for Nagarjunsagar, Kuppam and Donakonda airport to enhance air connectivity
- Regional flights with nine seater aircraft planned to operate on Vijayawada – Puttaparthi, Vijayawada – Kadapa to boost intra-state connectivity
- Attractive investment opportunities for airport developers, airline operators and aviation infrastructure developers across Andhra Pradesh and supported by attractive policies from the central government.



# Information Technology and Electronics

## Sector overview<sup>25</sup>

**487**

IT and electronics  
units

**~44,000**

People employed

**>50 per cent CAGR**

Influx in IT and Electronics  
Units since 2014

### AI Cloud Hub Policy

First state in the country to have policy on  
Artificial Intelligence and Industry 4.0

**>7,400**

MeeSeva Centers in the state  
catering to 110 million transactions

**>23,000 kms**

Of optic fiber  
cable laid

### Animation and gaming city

To be established in Vizag

### FinTech Valley

Global hub for FinTech  
established in Vizag

**~40,000 sq. ft.**

Of incubation space

### Hybrid cloud

First state to implement  
hybrid state data center

### Brand 'Amaravati'

Promotion of handicrafts and handlooms  
improving the livelihood of artisans and SHGs

### Kaizala

First state to pilot  
mobile governance

### Blockchain

Hosted Asia's biggest  
blockchain conference

Grounding  
of **marquee  
companies**

25. Information Technology, Electronics and Communication department, GoAP – accessed on 12 February 2018  
Andhra Pradesh Electronics and Information Technology Agency – accessed on 12 February 2018  
Andhra Pradesh Innovation Society – accessed on 12 February 2018  
MeeSeva Official Portal - Government of Andhra Pradesh - accessed on 12 February 2018

## Andhra Pradesh's competitive advantage



- Diverse range of policies extending best in class fiscal and non-fiscal support for sub sectors within IT and Electronics
- Enabling infrastructure and creation of knowledge economy
- Leader in adoption of disruptive technologies such as blockchain, IoT, cybersecurity, data analytics, machine learning, etc.
- Lower operating costs compared to Tier 1 locations.

## Key reforms/plans in place



- The state has applied for approvals for four additional Electronics Manufacturing Clusters and 4 IT SEZs
- Formulation of animation, gaming, visual and comic policy to spur growth in the sector
- Adoption of blockchain technologies in government records and transactions
- 10 million rural population to be IT literate by 2019
- Establish Vizag as India's FinTech capital
- Provide internet connectivity to all villages – 'Digital Andhra Pradesh'
- Centre of Excellence for Internet of Things.

## Major achievements<sup>26</sup>



- Implemented projects such as CORE dashboard, e-Seva, and e-procurement for transparency in governance
- Grounding of marquee names in the state
- More than 2.5 million sq. ft. of built up area for plug and play operations
- The state has established two Electronic Manufacturing Clusters (EMCs) in Tirupati and has received three in-principle approvals for setting up of Greenfield EMCs in the state. In addition, the state has applied for approvals for four additional EMCs
- The state has developed four incubation centers which are operated by organisations such as NASSCOM, 7INQ, Govin Capital and IC2 University of Austin Texas
- Skill development training to 15,000 ITIs/ Polytechnic students of IT/Electronics through NIELIT, Gol, which is being implemented by AP State Skill Development Corporation (APSSDC)
- Established International Institute of Digital Technologies (IIDT) in Tirupati, a world class institute on digital technologies
- Laid >23,000 kms of fiber across the state to provide high speed connectivity to enterprise and households.



26. Information Technology, Electronics and Communication department, GoAP – accessed on 12 February 2018  
 Andhra Pradesh Electronics and Information Technology Agency – accessed on 12 February 2018  
 Andhra Pradesh Innovation Society – accessed on 12 February 2018  
 Andhra Pradesh State Fibernet Limited - accessed on 12 February 2018  
 AP State Skill Development Corporation - accessed on 12 February 2018  
 e-Pragathi, Information Technology, Electronics and Communication department, GoAP – accessed on 12 February 2018



## Future plans/potential investment opportunities

Andhra Pradesh aims to:

- Achieve leadership position in the country in terms of providing qualitative and quantitative e-services
- Establish the state as ‘Silicon Corridor of India’
- Attract investments of USD2 billion in IT and USD5 billion in electronics manufacturing
- Generate 1,00,000 jobs in IT and 2,00,000 jobs in electronics
- Contribute 5 per cent share to the national software exports
- Produce one entrepreneur from each family
- Establish 100 incubators and accelerators
- Incubate atleast 5,000 companies and startups
- Create 1 million sq.ft. of incubation space
- Mobilise venture capital to the tune of USD200 million.

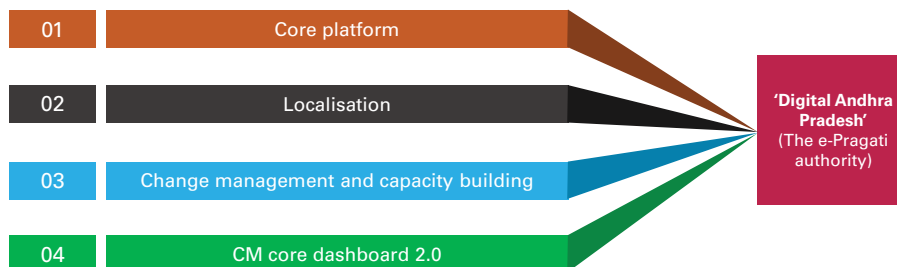
## Case study

e-Pragati Authority has made rapid progress in converting GoAP in to the first digitally transformed state government in India. The year 2016-17 was declared as the ‘Year of e-Pragati’

In order to ensure that government departments are adequately equipped and facilitated with ICT tools following actions were undertaken

- Core platform: An integrated platform with exhaustive features and a components list which would be supported through four key functionalities
- ISB training programme: The authority signed a MoU with Indian School of Business, Hyderabad to conduct training programmes
- Core dashboard: Helps track the progress of various government schemes across all 33 departments. The Core dashboard has 46 cards for bird’s eye view and operational view, tabular views for 34 cards, links for 10 cards and analytics view for 2 cards.
- Localisation: To increase the outreach of the government online service delivery platform, e-Pragati has undertaken a mammoth task of renovating existing government portals in the Telugu language. More than 130+ websites have been identified for translation into Telugu.

### The e-Pragati Authority Year 2016-17





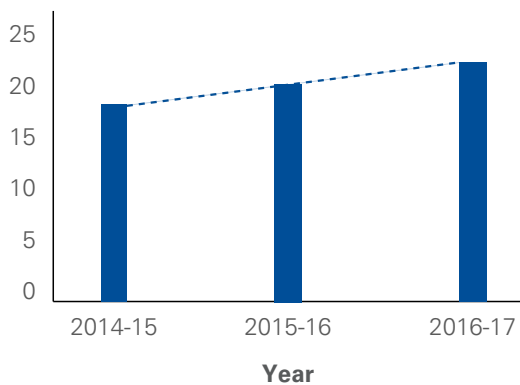
# Industries

## Sector overview

Industry sector comprises mining and quarrying, manufacturing and construction. Industry sector registered a growth rate of 10.05 per cent with estimated GVA of INR1.31 trillion (USD20.8 billion). Manufacturing registered a double digit growth with estimated GVA of INR508.62 billion (USD7.83 Billion)

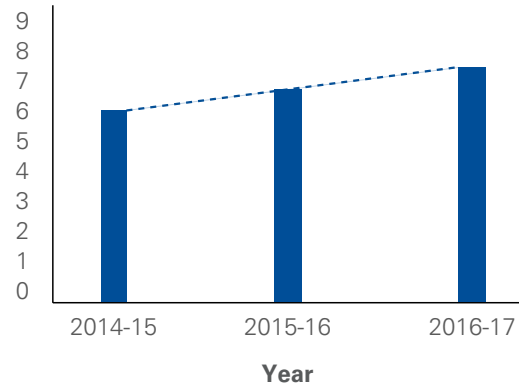
in FY2016-17. Despite being a largely agrarian state, Andhra Pradesh has shown tremendous progress in industrial development. Structural reforms undertaken by the state have helped in accelerating industrial growth.

Industrial Gross Value Add (GVA) in USD billion (CAGR - 10.16%)



Source: Andhra Pradesh Socio Economic Survey 2016-17

Manufacturing Gross Value Add (GVA) in USD billion (CAGR - 10.5%)



Source: Andhra Pradesh Socio Economic Survey 2016-17

## Andhra Pradesh's competitive advantage



- Robust policy environment through industrial and sector-specific policies, with leading policy instruments and fiscal incentives
- GIS-enabled large industrial land bank; online process for application, processing and payments
- Lower prices for Industrial land against comparable Indian states; Land given on outright sale basis
- Focus on industrial corridors for development
- Guarantee of industrial clearances through Public Service Delivery Guarantee Act, 2017
- Second largest coastline in India (974 km) provides for high export potential.

### Employment

>90,000 employment committed through large and mega grounded units

1,33,000 additional employment by 2019

>2,85,000 employment generated by MSMEs in last 3.5 years



### Investments

> INR380 billion (USD5.85 billion) of L&M investments grounded over the last 3.5 years (across Industries, FP and Textiles)

INR1,480 billion (USD22.8 billion) of L&M investments in advanced stages

MSME – INR109.94 billion (USD1.69 billion) investments grounded from FY2014-17



## Major achievements

- Double digit industrial and manufacturing GVA growth with CAGR of 10.16 per cent and 10.50 per cent respectively between FY2014-15 to FY2016-17<sup>27</sup>
- Over 300 large and mega units (across sectors such as automobile, engineering, pharmaceuticals, food processing, chemicals, since June 2014<sup>28</sup>
- Single Desk Portal (SDP) – for all industrial approvals, identified as a best practice by the World Bank
- First state in South India to offer 24x7 quality and reliable power to industry
- Two large industrial corridors being developed - Visakhapatnam Chennai Industrial Corridor (VCIC) and Chennai Bengaluru Industrial Corridor (CBIC)
- Proposed for establishment of Coastal Economic Zone (CEZ)
- Attracted FDI of USD 2 Billion from a South Korean automobile manufacturer including associates and vendors
- National Leader in Ease of Doing Business – 1st Rank in Business Reform Action Plan framework of DIPP and World Bank
- More than 25,000 industrial approvals granted through SDP since June 2015.



27. AP Socio Economic Survey 2016-17

28. Andhra Pradesh Investment Tracker, accessed on 12 February 2018

## Key reforms/plans in place

- Industrial Development Policy 2015-20 and six industrial sectors (Aerospace and Defence, Automobile and Auto component, Biotechnology, Food Processing, Textiles and MSME) policies in place providing best in class incentives
- SDP – Provides Industrial approvals covering 19 departments, 15 spot approvals, 6 approvals granted with a week, 8 approvals within 15 days and 17 approvals within 21days
- Spot approvals for allocation of raw materials such as coal and ethanol
- Guarantee of service through 'Public Service Delivery Guarantee'
- Online system for processing and sanction of industrial incentives
- Streamlined process for providing external infrastructure to mega projects
- Online investment tracking for monitoring lifecycle of investments from DPR submission to commercial production.

## Future plans/potential investment opportunities

- State of the art MSME parks with plug-and-play facilities to be developed in each of the 175 Assembly constituencies; thereby providing opportunity for Industrial park developers and MSME investors
- Increased focus on electric mobility solutions, opportunities available in EV/battery/Electric components manufacturing
- Ultra mega food park coming up in Kurnool, and mega food park at Mallavalli (Krishna district), provides opportunity to tap into Andhra's abundant food produce for processing and food processing infrastructure
- Presence of electronic manufacturing clusters in Visakhapatnam, Tirupati and Anantapur; opportunities for manufacturing and assembling of mobile phones, tablets, LEDs and other electronic components
- Two VCIC nodes (Visakhapatnam and Srikalahasthi – Yerpedu in Chittoor) which are in advanced stages present immense opportunities for investment across critical infrastructure and manufacturing facilities.



## Case study<sup>29</sup>

### Laying the red carpet for an investment of INR130 billion (USD2 billion) from South Korea's oldest motor vehicle manufacturer including associates and vendors

A South Korean auto major was exploring ways to enter the Indian market through a Greenfield integrated car manufacturing facility. After evaluating several locations across the country, Andhra Pradesh was selected to set up its manufacturing facility.

Actions taken by the state include

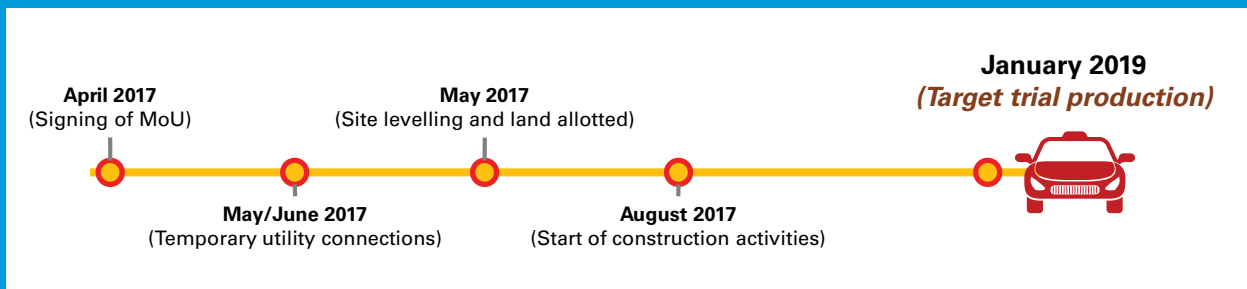
- Presenting the initial pitch presentation showcasing the state's best case scenario
- Providing site options across various locations with details of infrastructure facilities available
- Addressing investor queries on aspects such as policy framework, incentives and physical infrastructure

- Handed over around 587.84 acres of levelled land within three months
- Provisioning of external infrastructure facilities at the selected site in a planned manner
- Regular project monitoring under the leadership of the Chief Minister

#### Proposed Outcomes

- Production of 3,00,000 vehicles per annum
- 4,000 direct and 7,000 indirect jobs
- Development of an ecosystem of automobile component manufactures around Anantapur

#### Speed of execution



29. AP Industries Department, GoAP – accessed on 12 February 2018



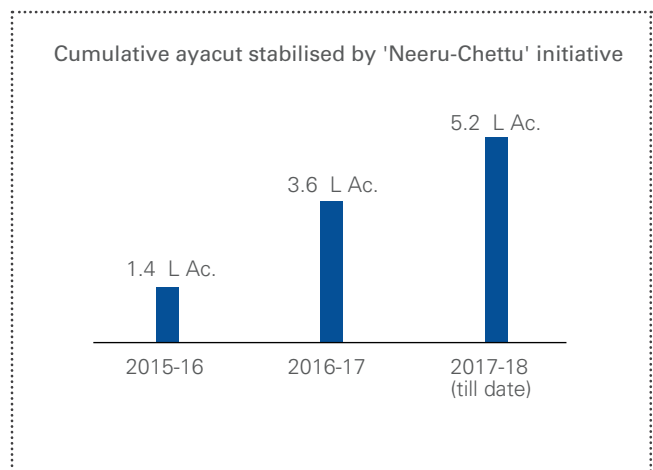
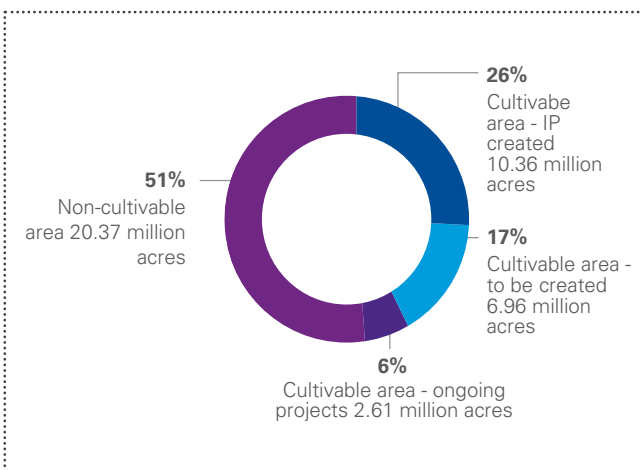




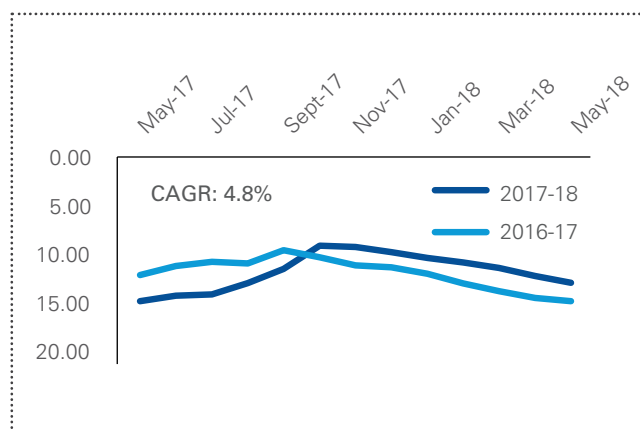
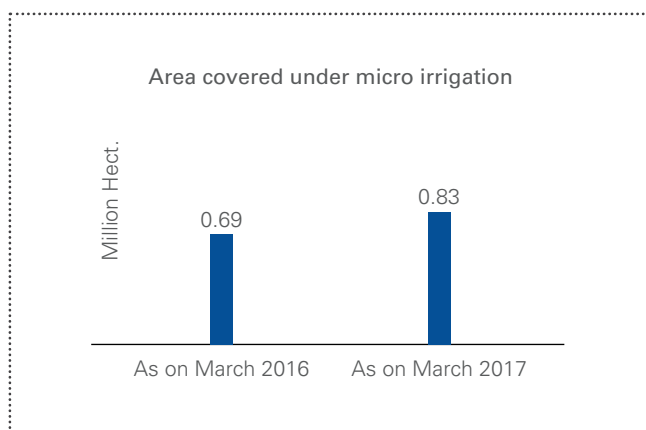
# Irrigation

## Sector overview

Andhra Pradesh has a cultivable area of 19.93 million acres out of which irrigation potential (IP) is created for 52 per cent area.



Energy savings to the tune of INR5 billion (USD76.9 million) in FY2017-18 through conjunctive usage of water.  
 Highest rise in ground water levels as compared to last 17 years.  
 Sustainable on-farm water use practices with over 20.83 per cent of area irrigated with micro irrigation.



## Andhra Pradesh's competitive advantage

- The state is blessed with major east flowing rivers and has the potential to tap water to ensure 100 per cent water-security
- Effective governance mechanism backed by world's best practices like drone based reporting, virtual reviews, machine learning, big data analytics, geo-tagging of water assets and IT enabled planning and monitoring methods
- Core dashboard developed to showcase entire water resource information of all the sources for effective planning and implementation of all the projects
- Real-time monitoring of water resources through a web portal connected to water resource assets of the state
- Well entrenched participatory irrigation management with over 80 per cent of area with Water User Associations
- Legislation for protection of water bodies and framework for rain water harvesting

## Key reforms/plans in place

- First to link rivers out of all states in the country, by linking of Godavari water to Krishna's basin through the 'Pattiseema Lift Irrigation Project' (PLIP)
- Through the ambitious vision of interlinking all the rivers in the state, 500 TMC of flood water flowing into the sea every year is planned to be diverted to drought prone areas. This year alone, more than 100 TMC of water is diverted to Krishna delta region
- Andhra Pradesh is striving to become drought proof over the next five years.



## Major achievements<sup>16</sup>

- Record 144 TMC water supplied to Rayalaseema in 2017-18 through various projects
- Around 3,12,000 acres ayacut is brought under micro irrigation taking the total to 1.985 million acres

Project	Achievement	Impact
<b>Pattiseema</b>	Record quantity of 105.8TMC of water lifted from Godavari to Krishna's basin during FY2017-18	Early plantation of Kharif crop to an extent of 1.308 million acres in Krishna Delta, yielding crop with INR100 billion (USD1.53 billion)
<b>Veligonda reservoir</b>	Filled with 16.95TMC of water for the first time	96,961 acres irrigated under TGP in Kurnool District
<b>Pothireddypadu head regulator</b>	Record quantity of 82.22 TMC of water supplied	37.34 TMC is supplied to TGP, 19.98 TMC to KC Canal/Nippula Vagu & 24.9 TMC to SRBC/GNSS
<b>Gorakallu Reservoir</b>	7.74 TMC of water is stored for the first time	Facilitated supply of water to Gandikota through Owk Reservoir
<b>GNSS</b>	Record storage created in <ul style="list-style-type: none"> <li>• Gandikota : 8.27 TMC</li> <li>• Chittravati: 6.05 TMC</li> <li>• Mylavaram: 6.28 TMC</li> <li>• Paidipalem: 3.5 TMC</li> </ul>	Water supplied to 1,40,000 acres ayacut compared to 60,000 acres last year

## Future plans/potential investment opportunities

- The state envisages implementation of latest technologies in irrigation on a large scale for efficient use of irrigation water supplied and increased crop yield.
- Various water conservation initiatives taken up under schemes such as 'Neeru-Chettu', 'Jala Samrakshna Udhya Spoorthi', 'Panta Sanjeevini' etc., to facilitate ground water levels reach 8 metres pre monsoon and 3 metres post monsoon
- Special focus on mega projects such as Polavaram to cater irrigation, industrial and drinking water needs of state, and provide water security
- Emphasis on drone technologies and IT enabled services for real-time monitoring

16. Irrigation Department's Presentation for Collectors' Conference, 18 January 2018



## Case study

### A mega project which broke the records

- The ambitious project of Andhra Pradesh's Hon'ble Chief Minister, Chandrababu Naidu, the 'Pattiseema Godavari-Krishna river linking project', has made it to the Limca Book of Records for completion of the project in record time, without any cost escalation.
- The foundation for the PLIP was laid on 29 March 2015, its phase one was inaugurated on 15 August 2015, making this river-linking not just peninsular India's first but also one that has been achieved in record time.
- About 125 km away, in Tadipudi, West Godavari district, heavy-duty pumps sprang to life. Water from the Godavari gushed against gravity into the Polavaram right main canal and entered the Krishna about 18km from Vijayawada. The two rivers were now linked, bringing 80 TMC of water to the Krishna river.
- It is a boon to farmers as the surplus water in Godavari will be used to cultivate 8,00,000 acres, which are currently dependent on Krishna water and the monsoons. And the water which flows into the Krishna barrage from Srisailem and Nagarjunasagar dams upstream will now be diverted to meet the irrigation and drinking water requirements of Rayalaseema.



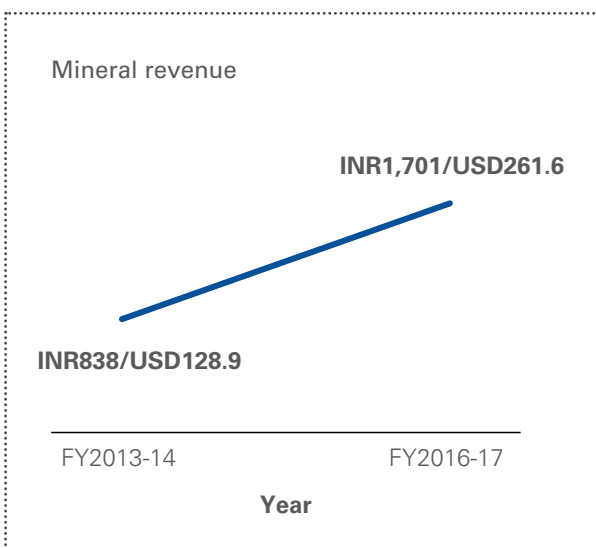




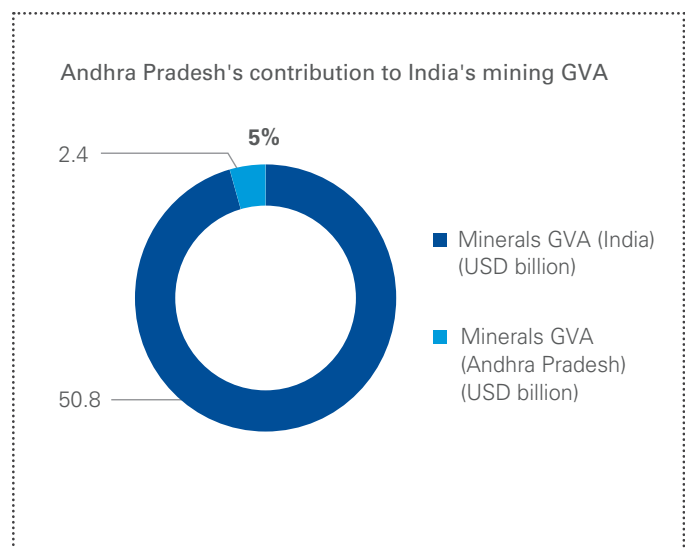
# Mining

## Sector overview

Revenue accrued to the state exchequer has been growing at a CAGR of 26 per cent over the last three years.



Source: Department of Mines and Geology, Government of Andhra Pradesh Source: Department of Mines and Geology, Government of Andhra Pradesh



Source: Annual Report, Ministry of Mines, Govt of India, 2016-17

## Andhra Pradesh's competitive advantage



- Home to 93.5 per cent of India's barytes resources
- Largest Uranium producing state in India
- Largest primary source of diamond in India
- Large deposits (327.3 MT) of heavy mineral beach sands
- Third largest producer of limestone in India
- Home to premium granite varieties, such as 'Black Galaxy'.

Source: Indian Bureau of Mines Statistical Profile for Minerals, 2015-16



## Major achievements<sup>30</sup>

- Andhra Pradesh becomes the fourth state to successfully conduct the auction of a non-coal mining lease
- The only state in the country to implement Free Sand Policy for domestic consumption
- Computerised filing of applications and monitoring of application status through MeeSeva to ensure transparency and speedy resolution of applications
- Introduction of auto e-Transit passes for MDL holders has reduced manual intervention and has enhanced ease of doing business for mineral dealers.

## Key reforms/plans in place

- Amendments have been made to the Andhra Pradesh Minor Mineral Concession rules to rationalise the levy being collected from the industry.
- Lease area restrictions have been introduced to ensure a level playing field in the industry
- Mining Surveillance System has been implemented for major mineral leases in the state
- The introduction of automated e-Permit has reduced manual intervention and has enhanced ease of doing business
- Mineral Dealer License Rules 2017 has been notified for online issue of license and e-Transit pass.

## Future plans/potential investment opportunities

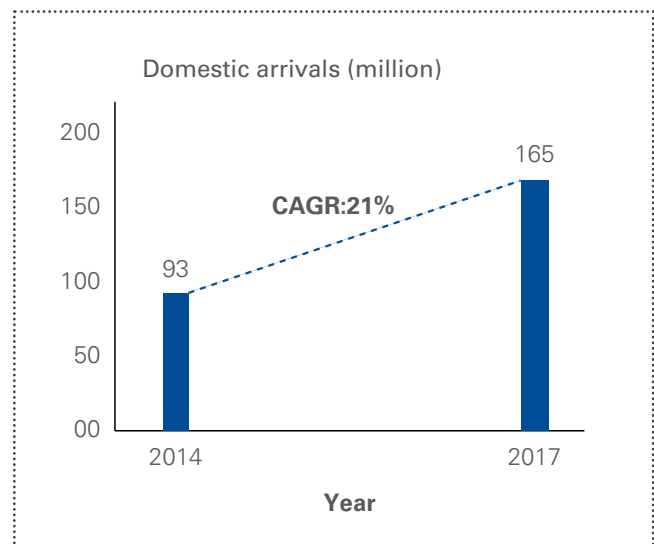
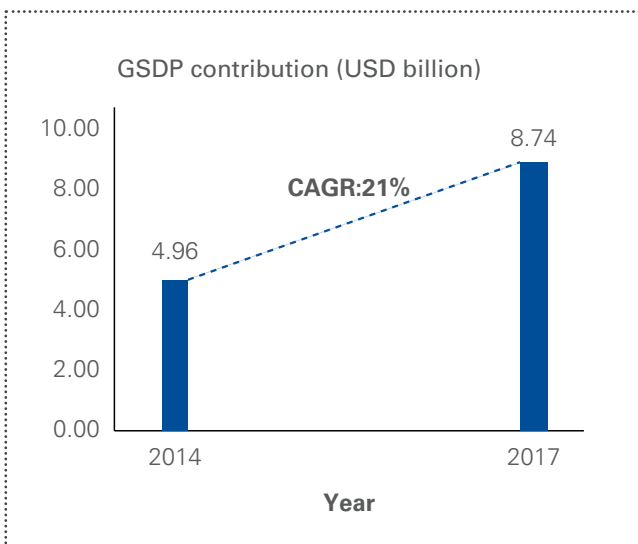
- Auction of seven major mineral blocks, including six limestone blocks and one Gold Block, is in the pipeline for 2017-18.
- A large number of major mineral blocks, particularly in Manganese ore and limestone, currently under exploration, will be put up for auction in 2018-19
- Third largest resources of granite in the country including premium varieties such as Black Galaxy.
- Lead-Zinc deposit in Bandalamottu, Guntur District.
- Iron ore resources in Kadapa District.

30. Department of Mines and Geology, GoAP – accessed on 12 February 2018

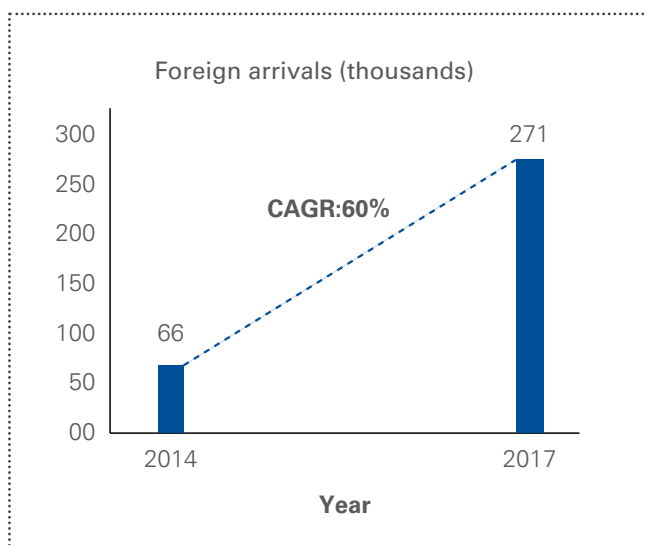


# Tourism

## Sector overview<sup>19</sup>



19. Website of Andhra Pradesh Tourism Department – accessed on 12 February 2018



## Andhra Pradesh's competitive advantage



- Cultural heritage – hosts places of historical importance
- Spiritual heritage- Tirupati/Tirumala temple has highest number of pilgrims in the world
- Biodiversity - Eastern ghats, lakes, backwaters add to tourist experience
- Ranked third in number of domestic tourists
- Robust Tourism Policy 2015-20 and Land Lease Policy 2015-20 in place. Land lease-2 per cent of market value, lowest in the country

### Employment opportunity

About 10,000 jobs are created from 70 tourism projects in various stages of implementation across the state



## Key reforms/plans in place



- Tourism Policy 2015-20 offers incentives such as capital subsidy (for tourism services only), concessional power tariffs, SGST reimbursement, complementary infrastructure etc. to 12 types of tourism infrastructure projects and 20 types of tourism services
- Governance of Tourism sector in the state is streamlined through integration of tourism, heritage and culture departments as Andhra Pradesh Tourism, Culture and Heritage Board headed by Hon'ble Chief Minister of Andhra Pradesh, Chandrababu Naidu. This provides greater autonomy and greater authority for fast-tracking tourism sector development in the state
- Andhra Pradesh Tourism Authority was formed and notified as nodal agency for development of tourism sector in the state
- Skilled manpower in various aspects of tourism are engaged to drive holistic development of tourism sector
- Land Lease Policy 2015-20 for tourism projects is in force. It offers government land at a lease rate of 2 per cent of market value (lowest in the country)
- Clearances through Single Desk Portal are provided within 21 days
- State topped DIPP and the World Bank's ease of doing business rankings
- Upgradation of existing hotels and other facilities owned by the Andhra Pradesh Tourism Development Corporation through PPP model
- Major tourism hubs being developed across the state
- Greater focus on integration of Information Technology into tourism services for improving tourist.



## Major achievements<sup>20</sup>

- World Travel and Tourism Council recognised the policy with 'Policy Leadership' award in 2015
- About 150 projects worth INR100 billion (USD1.52 billion) and employment potential of 50,000 are in various stages of development. INR33.8 billion (USD520 million) tourism investments grounded<sup>21</sup>
- Best National Tourism award 2017 by GoI
- Best new hot spot destination 2017, at ITB Berlin
- Domestic footfall have increased from 93 million in 2014 to 165 million in 2017<sup>22</sup>. Top tourist destinations in the state are Tirupati/Tirumala, Visakhapatnam
- Foreign footfalls have increased from 66,000 in 2014 to 2,71,000 in 2017. Top destinations are Visakhapatnam, Puttaparathi and Tirupati
- Number of rooms available (3-star and above) in the state have gone from about 6,000 in 2014 to 9,500 (projected) in FY2017-18<sup>23</sup>
- Emerging tourism destinations such as Gandikota, Orvakal have attracted lot of attention
- Vijayawada and Tirupati airports are accorded international airport status thus enhancing their prospects of being connected to many international destinations
- New airports in Rajahmundry, Kadapa are being connected with various cities in the country under UDAN scheme which will provide tourists access to remote tourism destinations in the state
- Many innovative events such as Godavari Dance and Lantern, Sounds on Sand, Amaravati Theatre Festival, Social Media Awards, Araku Balloon Festival, etc.

## Future plans/potential investment opportunities

- Development of new Buddhist, heritage, eco-tourism circuits
- Integrated beach tourism master plan to explore 974 kms of coastline and to promote coastal tourism
- Development of new tourism destinations such as Polvaram, Orvakal, Gandikota, Konaseema etc.
- Promoting village tourism, an emerging concept of rural homestays to promote culture and heritage of the state
- Developing TU 142, INS Viraat and Havelock bridge into heritage tourism attractions
- Creation of tourism infrastructure at existing and new tourism destinations. This may be in the form of star hotels, homestays, wayside amenities, services etc.
- Upgradation of tourism infrastructure through PPP model
- Standardisation of tourism services across the state along with geo-tagging of all tourist amenities in the state.

20. Website of Andhra Pradesh Tourism Department – accessed on 12 February 2018  
21. Andhra Pradesh Online Investment Tracker – accessed on 12 February 2018

22. Website of Andhra Pradesh Tourism Department, Footfall dashboard – accessed on 12 February 2018  
23. Andhra Pradesh Tourism Authority – accessed on 12 February 2018

## Case study<sup>24</sup>

### Upgradation of existing hotels and other amenities of APTDC through PPP model

- APTDC owns a number of hotels and other tourism amenities in the state. It is proposed to outsource operation and maintenance of these facilities to improve their efficiency and there by enhance tourist experience in the state
- In order to help identify private investors, assess market demand and propose appropriate business models, a transaction advisor was brought onboard
- Extensive consultations were held with a large network of domestic and global investors to assess market demand and propose suitable PPP models for upgradation
- 'As-is analysis' of existing infrastructure was conducted to identify potential aspects of upgradation
- Detailed financial models were prepared to forecast revenues and select suitable financial indicators for the projects
- PPP structuring was done for the identified properties and development obligations for private partners were chosen
- A standardised bid process was adopted for selection of qualified and experience private partners
- As a result, close to 15 properties were outsourced with an investment potential of INR1.5 billion (USD23.08 million)



24. Andhra Pradesh Tourism Development Corporation – accessed on 12 February 2018



# Amaravati

After bifurcation, the state was posed with another challenge of finding a feasible location to set up its capital city. An expert committee was formed after consultation with Gol to study possible locations for the capital.

Keeping in view public welfare, access to all, centrality to state's geography, rail, road and airways connectivity, proximity to ports such as Kakinada, Machilipatnam, availability of water, existing infrastructure to kick-start development, Amaravati was chosen as the location for the state's capital city.

Andhra Pradesh Capital Region Development Authority (APCRDA) was formed by passing a legislation 'AP Capital Region Development Act 2014' for end-to-end planning, coordination and development of the capital development area.

New capital in Amaravati was envisioned as not only an administrative hub but also as a global economic hub. Amaravati also promises to be an aesthetically appealing city with state-of-the-art architecture. According to the city plans, Amaravati is designed to have four prominent gateways resembling the entrance of historic temples and have city squares designed on the lines of famous Trafalgar and the Duke of York squares.

Singapore, Japan and China models were studied before the core capital master plan work was given to a Singapore firm, and the design to a Japanese company.

Amaravati is envisaged as 'a smart, green, sustainable city,' with zones consisting of a central business district, residential areas, green zones and waterbodies.

Amaravati is currently in fast paced execution mode.

Covered under capital region <b>8,603 km<sup>2</sup></b>	Covered under capital city <b>217 km<sup>2</sup></b>	Covered under seed area of Amaravati <b>6.84 km<sup>2</sup></b>
Consented land owners under Land Pooling scheme <b>26,839</b>	Projected GDP by 2050 <b>USD35 billion</b>	Projected employment by 2050 <b>1.5 million</b>

## Amaravati development plan



### Land

- 90 per cent of the total area of the project under possession



### Planning and design

- Amaravati masterplan for 53,647 acres notified
- Master plan for transit government's complex by Fosters + Partners
- Infrastructure master plan for 3.5 million population
- Socio-economic masterplan, for INR227.5 billion (USD3.5 billion) economy
- Concept designs for Assembly, High Court and Secretariat finalised



### Construction

- Transit government complex completed
- Government housing for 3,840 employees under construction
- Infrastructure worth INR182.45 billion (USD2.8 billion) is under execution



### Economic development

- Master development of start-up area
- Private universities – VIT, Amrita, SRM
- Public sector organisations – RBI, Indian Navy, CITD
- Higher education institutes – NID, AIIMS
- Social infrastructure – top international schools and hotels
- Healthcare – Indo-U.K., leading heart institute in India, leading eye institute in the region

Source: APCRDA – Collector's Conference presentation, 18 January 2018

## Major achievements

- Fastest completion of people centric city planning
- Innovative city financing - First and largest ever Hybrid Annuity Model for development of urban integrated infrastructure; leveraging land monetisation for long-term financial sustainability
- Transit government complex brought governance to the doorstep of people, eight years ahead of schedule
- Largest ever successful voluntary land pooling showcases the participatory approach of the government
- Identified as one of the 30 cities by the Smart Cities Mission under the smart cities challenge by Ministry of Housing and Urban Affairs, Government of India. The Amaravati Smart and Sustainable City Corporation Limited (ASSCCL) has been constituted to oversee its development.



## Progress made<sup>31</sup>

Following economic development initiatives has been undertaken in Amaravati

- Integrated university with 200 acres of allotted land is constructed and classes for engineering courses have commenced. It is expected to generate 8,000 employment opportunities
- Indo-U.K. institute of health with 1,000 bedded hospital and allied components. Foundation stone laid.
- National Institute of Design has engaged National Building Construction Corporation (NBCC) for construction of its buildings
- Andhra Pradesh Human Resources Development Institute (APHRDI), a HRD training Institute with 1,500 trainees is in the pipeline
- Central Institute of Toll Design (CITD) is a tool design institute that has identified the site for development
- Integrated university in 200 acres with 5,200 students along with 750 bedded teaching hospital has already commenced engineering courses in August 2017
- Integrated university in 200 acres with 4,700 students along with 1,500 bedded hospital is under progress
- State headquarters of the Reserve Bank of India (RBI) has been handed over the site for development.
- Medcity healthcare and research institute, large healthcare project with 1500 bedded hospital and allied institutions about to start construction at the designated site
- Boat training rescue institute and state office of the India Navy have been assigned the site
- Several schools (national and international) have been proposed

- National Biodiversity Museum assigned identified site for acceptance
- Leading banks and financial Institutions to come up in the capital region
- MICE Hub, convention center with 10,000 seating capacity is under planning.

### Snapshot of progress made



#### Universities

- 1,000 students enrolled till date
- Overall planned strength of 2,00,000 students.



#### Schools

Eight top schools including India's top seven, offering IB, ICSE and CBSE curriculum board schools.



#### Hotels

9 global hotel brands evinced interest in setting 3-,4- and 5-star hotels.



#### Hospitals

Leading global and domestic chains are creating world class healthcare ecosystem in Amaravati.

31. APCRDA – Collector's Conference presentation, 18 January 2018

## Case study

- The objective was to overcome the challenges of building a Greenfield capital city by attracting top quality investments in key sectors that kick-start the organic and inorganic growth of the city in a smart and sustainable manner
- After deliberation top quality investments in key sectors were identified to be the crucial step towards achieving sustained organic as well as inorganic growth. Government's transit complex was used as an anchor to boost investor confidence.
- The transit government complex in Amaravati built in record time of 192 days. Governance was brought to the doorsteps of people of Andhra Pradesh, signaling stability to the investors, and being the first anchor in Amaravati to kick-start the economy.

### Transit government complex

- Six blocks with 6,00,000 sq.ft of built up area
- 45 acres of area development
- 6,000+ government employees
- Built in a record time of 192 days
- Government at the doorsteps of the people.



# Way forward



Andhra Pradesh embarked on a transformation journey with the objective of achieving double digital growth and becoming the most developed state in the country by 2029. With time, new goals and reforms have been added as part of the journey to holistically transform the state into an inclusive and happy society. Reforms have been aimed at making Andhra Pradesh a leading global destination with desired standards of living, positioning the state as India's most-business friendly destination, and most importantly keeping 'people first'.

Undeterred by the challenge posed by the state's bifurcation and its impact on the state finances, a mission-based approach of the state, coupled with quick integration of technology into every sphere of functioning of the government is slowly positioning Andhra Pradesh as an investment destination of choice. It is realised that achieving targets as pronounced in its vision are critically dependent on active engagement of private sector organisations and civil society, while continually reshaping overall governance mechanisms.

In its endeavour to achieve the desired growth, a structured approach is being followed to transforming economy and lives of citizens of Andhra Pradesh. While laying huge focus on agriculture and allied sectors, the state is continually focusing on bringing the necessary structural shift in the economy to industry and services.

New measures are also introduced as required to strengthen the implementation of reforms.

01. Adoption of SDGs to guide and drive the socio-economic agenda of the state. These goals have become the central point of the state's development. There are 17 goals and 169 targets that are prioritised by the state for a happy inclusive and competitive society in future
02. Real-time outcome monitoring system in place for monitoring progress on social programmes such as 'Samaja Vikasam' (basic amenities for all villages), 'Kutumba Vikasam' (basic amenities for all families), SDGs, and seven key missions launched as part of 'Sunrise Andhra Pradesh Vision 2029' to trigger the state's transformation journey
03. Chief Minister's Real-time Executive (CORE) dashboard that enables reliable information collation and sharing in a transparent manner

04. Investor outreach and engagement to proactively 'know the investor' and ensure efficient redressal and grounding of projects
05. Thrust on industry mission to ensure equitable investment across all identified focus areas such as aerospace and defence, automobile, life sciences and biotechnology, food processing, minerals and textiles
06. Inclusive and decentralised industrial development through industrial corridors, industrial clusters, MSME parks will create employment opportunities for its people, as well as offer investment opportunities in manufacturing, economic cities and infrastructure development
07. Andhra Pradesh is the first state in the country to introduce blockchain technology for land records. A proof-of-concept is currently under development.
08. A FinTech valley, with self-sustainable ecosystem, is coming up in Vishakhapatnam
09. Amaravati, the state's capital city, is all set to emerge as a hub for opportunities across infrastructure, industry, health and education, amongst other investment avenues in the capital city
10. Maintaining its national leadership in EoDB, state is now looking at benchmarking itself against the best in the world. The state is aiming to become world's most conducive business place by adopting leading practices on ease of doing business.
11. The state continues to strengthen its global presence by representing in world forums and forging partnerships with countries for mutual development.

While these reforms are yielding positive results for Andhra Pradesh, there is a long and exciting road ahead for the state in consistently sustaining its double-digit growth and setting new benchmarks in governance.



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