A State that is progressive and highly industrialised...
A State that is a centre of technology and innovation...
And, a joyous population confident of its bright future...

N. Chandrababu Naidu
Chief Minister of Andhra Pradesh
Andhra Pradesh, the eighth largest state in India, is endowed with natural resources and mineral wealth and boasts of the second longest coastline in the country. The State has thirteen districts with a population of 4.9 crore (as per 2011 census). With a strong government mandate, pro-people and proactive administration and visionary leadership, the State is poised to capitalize on its business-friendly policies and robust physical, social and industrial infrastructure. This will enable the State to tap into strategic opportunities for development.

Given the strong focus of the Government of India on initiatives such as “Make in India”, “Skill India”, “Digital India”, and “Smart Cities”, the country is set to attract increased focus of global businesses and development institutions to support it in its journey towards development and prosperity for all. The state of Andhra Pradesh is well-positioned to leverage these tailwinds, coupled with the positive sentiment within the country. The expectations and aspirations of citizens in conjunction with the State Government’s desire to drive innovation and enhance delivery, creates significant opportunities to trigger new and innovative enablers for good governance.

The Swarnandhra Vision 2029 envisions transforming Andhra Pradesh to be among India’s three best states by 2022 and a developed state by 2029. The Andhra Pradesh government has constituted seven missions, as part of its “Vision 2029” for facilitating inter-departmental synergy and optimising public/private investments by providing an effective planning and delivery mechanism. The thrust of the mission approach would be to assist departments on pre-identified, specific, growth-promoting, large social and economic infrastructure projects which require inter-departmental synergy. The seven missions are - Primary Sector, Social Empowerment, Knowledge & Skill Development, Industry, Infrastructure, Urban Development and Services Sector.

This document focuses on the Industry Sector mission which aims to substantially increase the share of industrial sector in GSDP for accelerated economic development and to make the State a leading destination for both domestic and global investment.
2 | INDUSTRIAL SECTOR OVERVIEW

Industrial development promotes higher capital formation, raises standards of living and provides employment opportunities for equitable development. Hence, the Government of Andhra Pradesh has accorded top priority to industrial growth and intends to position the State as the most preferred destination for investors by providing favourable business climate, excellent infrastructure, good law and order and cordial industrial relations.

The Government has introduced various investor-friendly policies for different sectors to facilitate availability of resources, provide conducive industrial environment, develop state-of-the art infrastructure, enhance inclusivity, foster innovation, create employment opportunities and improve exports.

Andhra Pradesh, over the years, has established a strong presence in agro and food processing, textiles, chemicals & petrochemicals, pharmaceuticals, metallurgy, electronics and electrical engineering sectors.

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2.1 OVERALL TARGET FOR INDUSTRY MISSION

Milestones set by the state for achieving Swarnandhra Vision 2029

The State is poised to become a developed state by 2029-30 with a per capita nominal income in excess of USD 12,746 (as per the World Bank's definition of High Income Countries). A double digit growth rate of 12 percent would be required to meet the target of per capita income of USD 16,500 by 2029-30.

Shifting the Growth Trajectory

To achieve the level of development envisioned in the Vision 2029, the State will have to shift from the current annual GSDP growth rate of 7 percent to a higher trajectory of double digit growth rate of 12%.
Structural Transformation of the state’s economy

Given that achievement of the Andhra Pradesh Vision 2029 requires increasing the GDP to approximately ₹ 14 lakh crore by 2029 (5.5 times increase over 15 years), the industrial sector is envisaged as a key growth driver for the State. It is targeted that the contribution of the industrial sector to GSDP would increase from the current 20.7% to 25% by 2020, which would mean a long-term (2029) target of 30% contribution to GSDP. This translates to an annual growth rate of over 14 percent for the sector. Achievement of this target requires Andhra Pradesh to position itself as a highly competitive destination for industry, not only at the national level, but also at regional and global levels. The state has rich endowment of skilled labour, a long coastline with high potential for port driven logistics, and strong hinterland access (both nationally, being connected to Central, East and South India, and regionally, being at a strategic position in the South Asian and South East Asian spatial map).

Increased Industrial Investment

It is estimated that an Industrial Investment (measured by asset-net block) to GDP ratio of a certain level is required for sustainable impact on Gross Product. For India, this is estimated to be approximately 32 percent for the past two decades. However, this number is on the upswing and is estimated to reach 48% by 2029. Applying this benchmark to Andhra Pradesh, with a total estimated GSDP contribution at ₹ 4.2 lakh crore, incremental industrial investment in to the tune of ₹ 2 lakh crore is required by the year 2020 (given the fact that there is a lag of 6-10 years in the industrial investment having its full impact on GSDP). This would also result in an incremental 10 lakh jobs being created in the state (not including downstream and upstream benefits).
The Andhra Pradesh Industry Mission has the following key objectives:

a) Assist in achieving strategic outcomes as enshrined in the Swarnandhra Vision 2029
b) Ensure sustainable and inclusive industrial growth
c) Be among the Top 3 states in terms of industrial investments by 2022
d) Be the most preferred logistics hub and India’s gateway to East and Southeast Asia by 2029
e) Enhance the quantum and quality of skilled manpower and create significant employment opportunities
f) Increase the contribution of manufacturing to GSDP from 9.95%(2013-14) to 15% by 2020 and Increase the contribution of industries to GSDP from 20.7% (2013-14) to 25% by 2020
g) Attract investment to the tune of ₹2 lakh crore by the end of 2020
h) Create employment opportunities for an additional 10 lakh people by the end of 2020
i) Operationalise Industrial Corridors such as Vishakhapatnam-Chennai Industrial Corridor (VCIC), Chennai-Bangaluru Industrial Corridor (CBIC), Petroleum, Chemicals & Petrochemicals Investment Regions (PCPIR), National Investment & Manufacturing Zones (NIMZs) and various Special Economic Zones (SEZs)
j) Enhance productivity of all industrial sectors
k) Manage externalities and address interdepartmental issues
l) Enhance inter-departmental synergies to multiply project outcomes and reduce time lag
m) Seamlessly coordinate with other missions, grids and programmes to enhance mission outcomes
n) Optimise public and private investments by providing effective planning and delivery mechanisms
o) Build a conducive ecosystem for catalysing investments in Industry Mission Functions
p) Enhance the quantum and quality of skilled manpower and create significant employment opportunities
q) Institutional development and capacity building
r) Streamlining planning and delivery mechanisms

Government of Andhra Pradesh (GoAP) has identified 10 sectors as thrust areas for greater focus.

1. Agro & Food Processing
2. Life sciences (including pharma, biotechnology and medical equipment)
3. Textile & Apparel
4. Electronics
5. Aviation & Defence
6. Auto & Auto Components
7. Petroleum, Chemicals, (including Fertilizers) and Petrochemicals
8. Energy
9. Mineral based industry (e.g. cement)
10. Leather
5.1 Industrial Development Policy 2015-2020

In line with the focus on Industrial growth as an enabler to overall development of the state, Andhra Pradesh Industrial Development Policy 2015-2020 aims to position the State as the most preferred destination for investors by providing favourable business climate, excellent infrastructure, good law and order and cordial industrial relations.

The policy focuses on creating a conducive eco-system enabling industries based in Andhra Pradesh to be innovative and competitive on a global scale.

The Industrial Development policy targets to:

a) Increase the contribution of manufacturing in GSDP from 9.95% (2013-14) to 15% by 2020
b) Increase the contribution of industries to GSDP from 20.7% (2013-14) to 25% by 2020
c) Attract investments to the tune of ₹2 lakh crore by the end of 2020
d) Create employment opportunities for an additional 10 lakh people by the end of 2020

The state’s strategy to meet the states targets is predicated on the factors mentioned below:

5 | HIGHLIGHTS OF INDUSTRIAL & SECTOR POLICIES

Thrust areas mapped to districts based on their potential synergies

Figure 5: District wise Thrust Areas for Industrial Development
Further to this endeavour, GoAP will focus on 10 key thrust areas (refer to Section 4 above) to fully utilize the State’s industrial potential.

The Industrial Development policy 2015-2020 introduces several policy interventions to bolster growth and realize the investment potential of the State. The key highlights of the Policy are mentioned below:

a) **Power** Cost Reimbursement (partial) and Uninterrupted 24X7 quality power

b) Reimbursement of **stamp duty** to reduce initial set-up costs

c) VAT/CST/SGST reimbursement incentives varying by size of project

d) **Swachh Andhra**: Various incentives for Green initiatives

e) **Social Inclusion**: Special Package / policy interventions for SC/ST/BC and women entrepreneurs

f) **Incubation Center** in IIM Vishakhapatnam on PPP basis

g) **Ease of Doing Business**:
   i) Single Desk Clearance within 21 working days
   ii) Spot Approvals for identified approvals and clearances
   iii) Exemptions from seeking approvals for investments in certain category of Industries
   iv) Deemed approvals based on self-certification
   v) Parallel Processing of clearances
   vi) State Investment Promotion Board (SIPB) and Empowered Committee of Secretaries to expedite decision making

h) **Skill Development**:
   i) Industry driven curriculum
   ii) Andhra Pradesh State Skill Development Corporation’s (APSSDC’s) capacity building programs
   iii) Manpower Information System
   iv) Dovetailing of Government of India incentives on skill development
   v) Sector specific training incentives

i) **Land Allocation**: Transparent, Agile and Industry-Friendly Land Allocation Processes

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### 5.2 Sector Policies

GoAP has also developed sector specific policies for key thrust areas. Highlights for some of the sector policies are mentioned below:

#### Textile Policy 2015-2020

Textile policy targets to:

1. Make Andhra Pradesh one of the most preferred destinations for textile & apparel production
2. Attract new investments worth ₹6000 crore by 2020
3. Create additional employment opportunity for 3 lakh people by 2020 and 5 lakh people by 2025

The key highlights of the Policy are mentioned below:

a) **Power** Cost Reimbursement (partial) and Uninterrupted 24X7 quality power

b) Reimbursement of **stamp duty** to reduce initial set-up costs

c) **Interest subsidy** provided by GoAP after taking into account assistance from all sources

d) **Capital subsidy** to reduce upfront investments

e) VAT/CST/SGST reimbursement incentives varying by size of project

f) **Skill Development**:
   i) Sector specific training incentives
   ii) Fiscal incentives to trainees, trainers & training institutions for apparel and power loom sector
   iii) Subsidy for Training institutions
Biotechnology Policy 2015-2020

Biotechnology policy targets to:

1. Enhance competitiveness of the sector to make Andhra Pradesh one of the most preferred destinations for biotech investments
2. Attract new investments worth ₹6,000 crore in the sector by 2020
3. Create additional employment opportunity for 5,000 people in the sector by 2020 and 10,000 people by 2025

The key highlights of the Policy are mentioned below:

a) Power Cost Reimbursement (partial) and Uninterrupted 24X7 quality power
b) Research and Development incentives: Co-financing of industry sponsored research, collaborative research grant and grants for attracting global talent
c) Setting up of Technology Acquisition Fund for acquisition of high impact technology, including interest subsidy
d) Financial assistance for Patent Registration
e) Setting up of Mini Life Sciences Parks
f) Setting up of Incubation Centres in PPP mode and Life Sciences Knowledge Centre
g) Infrastructure for Life Sciences Parks to be developed on PPP basis – to provide plug and play environment

Automobile and Auto Components Policy 2015-2020

Automobile and Auto Components policy targets to:

1. To make Andhra Pradesh one of the most preferred destinations for automobile and auto component investments
2. Attract new investments worth at least ₹20,000 crore in the sector by 2020
3. Create additional employment opportunities for 200,000 people in the sector by 2020

The key highlights of the Policy are mentioned below:

a) Skill Development:
   i) Industry-Academia partnerships to promote apprenticeship model and R&D
   ii) Quality testing cum R&D laboratories in collaboration with leading global institutions
   iii) APSSDC’s capacity building programs
b) Labour Concessions:
   i) Automobile industry will be declared to be a ‘Public Utility’
   ii) Will allow 24X7 operations
   iii) Employment of women in the night shifts, flexibility in employment conditions
c) Auto Clusters for OEMs and Ancillaries:
   i) Multiple world-class Automotive Suppliers’ Manufacturing Centers (ASMC) on a PPP basis
   ii) 2 major Auto Clusters (apart from the ASMCs mentioned above) in the PPP mode in districts of Nellore and Chittoor
d) Special Land Allocation and Water Supply norms for mega-integrated automobile projects
e) Capital Subsidy for common infrastructure
f) Financial incentives for Patents/ Quality Certifications and Marketing by MSMEs
g) Stamp Duty concessions for reducing upfront costs, Entry Tax and Octroi concessions
h) VAT/CST/SGST reimbursement incentives varying by size and nature of project
India is one of the fastest growing major economies of the world. An emerging middle class, cost competitiveness and a huge talent pool make it one of the most attractive investment destinations. Yet, according to the World Bank’s ‘Doing Business 2015’ report, India is ranked 142 out of 189 countries in the overall ease of doing business. With an objective to improve the ease of doing business, Government of India has amended certain regulations to make governance more efficient, effective, simple and user-friendly.

The Department of Industrial Policies and Promotion (DIPP) has taken up a series of measures to improve the ease of doing business by simplification and rationalization of existing rules and by introducing information technology for better governance. Major initiatives include:

a) eBiz website, where various services for businesses are available at one site for central as well as state level services
b) Initial validity period for industrial licenses has been increased to 3 years (from the existing 2 years), enabling licensees with more time for obtaining necessary clearances from the concerned authorities
c) Grant of security clearance on industrial applications will have a maximum time of 12 weeks as finalized by the Ministry of Home Affairs
d) To facilitate extension of validity of industrial license for entrepreneurs, partial commencement of production will be considered as full commencement.

6 EASE OF DOING BUSINESS

5.3 Micro, Small and Medium Enterprises (MSME):

MSMEs have emerged as a highly vibrant and dynamic component of the Indian economy over the last five decades. MSMEs not only play a crucial role in providing large employment opportunities at comparatively lower capital cost than large industries but also help in industrialization of rural & backward areas, thereby reducing regional imbalances and assuring a more equitable distribution of national income and wealth. MSMEs are complementary to large industries as ancillary units and this sector contributes enormously to the socioeconomic development of the country. They contribute to nearly 8% of the country’s GDP, 43% of the manufacturing output and 40% of the exports.

MSMEs in Andhra Pradesh manufacture a variety of products. There is a high concentration of micro and small units in the food sector, mineral and building materials sector, drugs and pharmaceuticals, fabricated materials, trading and service sector.

As of March 2013, about a lakh MSMEs have been established providing employment to about eleven lakh people with an investment of about ₹15,000 crore. And during 2013-14 alone, additionally, about 2000 MSMEs were established providing employment to 40,000 people and involving an investment of about ₹2000 crore.

The Hon’ble Chief Minister has identified development of MSMEs as a catalyst for job creation and poverty mitigation. GoAP has accorded development of MSMEs top priority and is coming up with a separate MSME policy 2015-2020 aimed at establishing state-of-the-art infrastructure, advancing inclusivity, fostering innovation and creating employment opportunities across different skill sets. Further, there is significant thrust on encouraging start-ups and setting up incubation centres to provide a conducive eco-system for MSMEs.
GoAP has also undertaken major initiatives towards improving the ease of doing business scenario in the state. These initiatives include:

**a) Single Desk Policy 2015-20**, which aims to create a conducive ecosystem to provide all clearances required to setup industry within 21 days. Single desk mechanism will cover 24 different clearances required for starting an industry. These will include 13 clearances during pre-establishment stage and 11 clearances during pre-operations phase. Kindly refer to the highlights of this policy in section 5.2 below.

**b) Robust IT platform** for real time monitoring of industrial clearances: This IT platform will have the following features:

i. Single point data entry by applicants/ nodal agency
ii. On-line application filing
iii. Custom generation of forms for individual Competent Authorities along with requisite attachments
iv. Online approval by concerned competent Authorities
v. Online tracking / automatic alerts to applicants through SMS/ Emails
vi. Customized MIS reports for monitoring at different levels

**c) Memorandum of Understanding with National University of Singapore (NUS) and Confederation of Indian Industry (CII):**

A Memorandum of Understanding (MOU) was signed between Asia Competitiveness Institute (ACI) at Lee Kuan Yew School of Public Policy (LKYSPP), NUS, with GoAP and CII on 30 March 2015 in Singapore. to work on 'Ease of Doing Business in AP'. Under the tripartite MoU, GoAP, ACI-LKYSPP-NSU and CII will:

i. Collaborate in conducting joint research programmes on interesting issues such as strategies and assessment on ease of doing business and enhancement of economic competitiveness
ii. Help to identify and establish common interests and cooperative opportunities between the Andhra Pradesh and private sector investors (both domestic and international).
iii. Exchange ideas in the form of field trips to meet international/domestic think-tanks and officials of Andhra Pradesh
iv. Study economic situations and investment opportunities in AP from ASEAN, China and other countries

### 6.1 Andhra Pradesh Single Desk Policy

**AIM**

To create a conducive ecosystem to provide all clearances required to set up industry within 21 days

**STRATEGY**

- **Policy Level:** Review of applicable Acts, rules and policies of respective Competent Authorities with the objective of speedy clearances
- **Institutional:** Strengthening capacity of respective Competent Authorities, District Industries Centers (DICs) etc.
- **Process Streamlining:** Streamlining operations of respective Competent Authorities and Nodal Agencies and effective monitoring and tracking through IT-enabled system

**Key Differentiators of Single Desk Mechanism**

<table>
<thead>
<tr>
<th>Coverage of clearances</th>
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<tbody>
<tr>
<td>Single Desk to cover 24 different clearances required for starting an industry. 13 approvals / clearances during Pre-establishment stage and 11 approvals / clearances during the Pre-operation stage</td>
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<table>
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<tr>
<th>Spot Approvals</th>
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<tbody>
<tr>
<td>Spot approvals for clearances requiring only scrutiny of basic documents: to cover Registration under Professional Tax, Registration of Shops and Establishments, Registration of establishments deploying contractual workmen / interstate migrant workmen among others</td>
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<th>Deemed Approvals</th>
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<tr>
<td>Deemed approvals if the clearances are not granted within the stipulated timelines: to cover Factory registration, Building Permission from Gram Panchayat among others</td>
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<tr>
<th>Assignment of Inspection to Qualified Technical Experts</th>
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</thead>
<tbody>
<tr>
<td>Provisions in select regulations where inspections are permitted to be conducted by technically qualified experts in the private sector: to cover Boiler Registration among others</td>
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</tbody>
</table>

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<th>Parallel processing of clearances</th>
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<tr>
<td>Parallel processing of specific clearances having intra-approval dependencies to expedite closure of application process, like Building plan approval requiring CFE and Fire Clearance</td>
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</tbody>
</table>

All clearances within 21 working days with robust IT-based platform
6.2 IT based Platform for real time monitoring by Government/Investors

KEY HIGHLIGHTS

- Single point data entry by applicants/nodal agency
- On-line application filing
- Custom generation of forms for individual Competent Authorities along with requisite attachments
- Online approval by concerned competent Authorities
- Online tracking/automatic alerts to applicants through SMS/Emails
- Customized MIS reports for monitoring at different levels

6.3 Online real time project tracker

GoAP has also set up an online, real-time project tracker where the relevant authorities can view the status of individual projects, and sort data by district, sector and status. There is also a provision of drill down to individual projects. This will provide transparency, visibility and agility in terms of getting projects from inception to production in the quickest time possible.

One of the key initiatives being enabled by this system is the tracking of projects at the highest level on a periodic basis. It also allows for stage wise tracking so as to help identify and debottleneck operational and procedural kinks and thereby improve overall investment experience for the industry in the state.
7 | Industrial Corridors

Industrial corridors seek to create a strong economic base with a globally competitive environment and state-of-the-art infrastructure to activate local commerce, enhance investments and attain sustainable development. Andhra Pradesh shall witness enormous growth in manufacturing output over the next 10-15 years with two large industrial corridors being planned - Visakhapatnam-Chennai Industrial corridor (VCIC) and Chennai-Bengaluru Industrial Corridor (CBIC), and a large Petroleum, Chemicals & Petrochemicals Investment Region (PCPIR).

7.1 Visakhapatnam-Chennai Industrial corridor

The proposed VCIC, being developed in association with the Asian Development Bank (ADB), is expected to give fillip to the economic prospects of Andhra Pradesh. Conceived with an investment of over ₹1 lakh crore, the prestigious project is expected to create more than 50,000 jobs, both directly and indirectly, in the first phase alone. It is touted as one of the projects that could potentially transform the industrial landscape of Andhra Pradesh in less than a decade of its commissioning. The VCIC will be developed in two or three phases spanning more than 15 years. Once VCIC becomes functional, the ADB has projected that the manufacturing output would reach ₹3 lakh Crore by 2025 and ₹7.825 lakh Crore by 2035.

VCIC envisages development of industrial nodes along the east coast. Four economic nodes have been finalized as a part of this corridor in AP – Visakhapatnam, Kakinada, Gangavaram – Kankipadu and Yerpedu-Srikalahasti. These nodes shall focus on development of specific sectors mentioned below:

<table>
<thead>
<tr>
<th>Nodes</th>
<th>Focus Sectors</th>
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<tbody>
<tr>
<td>Visakhapatnam</td>
<td>Pharmaceuticals, metallurgy, non-metallic minerals, chemical, petrochemicals and food processing</td>
</tr>
<tr>
<td>Kakinada</td>
<td>Food processing, chemical and petrochemical, paper and non-metallic minerals</td>
</tr>
<tr>
<td>Gangavaram-Kankipadu</td>
<td>Pharmaceuticals, metallurgy, food processing and non-metallic minerals</td>
</tr>
<tr>
<td>Yerpedu-Srikalahasti</td>
<td>Electrical equipment, textiles, food processing, metallurgy and non-metallic minerals</td>
</tr>
</tbody>
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The industries that are planned around this corridor would have the advantage of robust infrastructure with logistics hubs being setup to facilitate warehousing and movement of goods and tapping skilled manpower with knowledge hubs being planned on PPP basis. The corridor will also assist potential investors in credit facilitation.

7.2 Chennai - Bengaluru Industrial corridor

The proposed CBIC, to be developed with assistance from the Japan International Cooperation Agency (JICA), is expected to provide thrust to industrial development in three border districts namely Anantapuram, Chittoor and Nellore. During Phase I, Krishnapatnam in Nellore District will be developed as the economic node for this corridor, with Krishnapatnam Port proposed as an alternative port to Chennai and Ennore ports. The upgraded Krishnapatnam port would catalyse industrial and economic growth in and around the district. During Phase-II, the districts of Chittoor and Anantapuram will be included along with Nellore where industrial clusters are planned. Once the project takes shape, various border towns and cities in the districts will have an opportunity to benefit from the industrial corridor. Tirupati, Pilaru, Nayudupeta, Gudur and Hindupur are towns that are expected to benefit from the CBIC.

7.3 Petroleum, Chemicals & Petrochemicals Investment Region

Andhra Pradesh is blessed with India’s first PCPIR, which is all set to attract huge domestic and foreign investments which will change the landscape of the entire region. PCPIR will consist of several SEZs, industrial parks, free trade and warehousing zones, growth centres and export-oriented units. Internal infrastructure will be

Figure 6: Vizag-Chennai Industrial Corridor (VCIC) and Chennai-Bengaluru Industrial Corridor (CBIC)
developed by Andhra Pradesh Industrial Infrastructure Corporation (APIIC) and will be maintained by a developer or a group of developers. It will have specifically delineated investment regions. Under PCPIR, Visakhapatnam, Nakkapalli and Kakinada regions shall be developed as potential locations for petrochemical investments.

7.4 National Investment and Manufacturing Zones (NIMZs)

Government of India has accorded in-principle approval for setting up two NIMZs:
   a) Chittoor
   b) Prakasam

These NIMZs would be developed as world class industrial regions with each spread over a minimum of 5,000 hectares. These regions will act as growth nodes for industrial development and employment generation in the state. Please refer to National Manufacturing Policy of GoI for NIMZ guidelines.

7.5 Smart Industrial Townships (SITs)

GoAP will facilitate setting up of SITs across various districts with local self-government status. Following external infrastructure for SIT will be provided by the government:
   c) Four lane road to the nearest national highway
   d) Dedicated feeder for uninterrupted power supply
   e) Dedicated water supply
   f) Right of way to create a connectivity to the nearest railway line and or port
   g) Fiber connectivity with no bandwidth constraints

8 | INDUSTRIAL OPPORTUNITIES IN CAPITAL CITY REGION

Andhra Pradesh has announced an ambitious project to develop a world-class greenfield capital city in an expanse of ~374 square kilometres, while the metropolitan region will extend to ~7068 square km. The new capital city, Amaravati, is located in the Vijayawada-Guntur region and is expected to attract an incremental 3.5 million workforce by 2050.

The capital region, in addition to being developed as a smart city, offers massive potential for industrial investments across multiple sectors, with targeted investments of USD 30 billion over the next decade. It will boast of the world’s longest ring road at 180 km.

**OPPORTUNITIES IN CAPITAL REGION KEY INDUSTRIES FOR INVESTMENTS**

- **Amaravathi Tourism Hub**
  - Temples, Schools and Heritage

- **Guntur Manufacturing Hub**
  - Agro, Textile, Metal and Mineral

- **Nandigama Pharmaceutical Hub**
  - Pharmaceutical

- **Sattenapalle Heavy Industries Hub**
  - Textile and Mineral Products

- **Gannavaram Value added Economic Hub**
  - PTZ/SEZ Zone,Textile, Auto, Aerospace & IT/ITeS

- **Vijayawada and Capital City Business and Trading Hub**
  - Agro Processing, Electronics, Auto IT/ITeS

- **Nuzvid Fabrication Hub**
  - Rubber and Fabricated Metal

- **Gudivada Aquaculture Hub**
  - Logistics Park

- **Tenali Manufacturing Hub**
  - Agro, Textile, Metal and Mineral

Figure 7: Investment Opportunities in proposed Capital Region
The immediate priorities for development of corridors in the capital region are:

a) Node 1-2: Hyderabad to Machilipatnam
   i. Nandigama Corridor – Pharmaceuticals, Bio-technology, Plastics, Packaging
   ii. Gudivada Corridor – Green industries corridor

b) Node 3-4: Visakhapatnam to Chennai
   i. Gannavaram corridor – IT/ITeS, Electronics/Hardware, Automotive
   ii. Guntur corridor – Food processing, Cold chains, textiles, Non-metallic products

In the medium term, the State will focus on developing nodes of Tenali, Sattenapalle and Nuziveedu.

ANANTHAPUR DISTRICT:
At a glance:

Key Statistics:
• Area: 19,130 square kilometres
• Population: 40.83 lakhs
• Literacy rate: 64.28%
• District Domestic Product: ₹ 34,487 crore (~8% share in the State GDP)

Connectivity:
Well-connected to Hyderabad, Bengaluru and Chennai by rail and road including National Highways; Bengaluru airport about 70 kilometre from Hindupur; Hindupur to be part of the Chennai-Bengaluru Industrial Corridor (CBIC)

Natural Resource Endowment:
• Great potential for solar energy given the arid climate and the high solar insolation, in addition to being identified as one of the best areas in the country for generation of wind power
• Availability of Dolomite, Iron Ore, Limestone, Gold and Diamond deposits

Profile of Economic Activities:
• Sericulture - one of the traditional activities
• Accounts for 46% of the total cropped area for Mulberry
• Value-added activities in horticulture, agro and food Processing and allied activities will further be promoted
KURNOOL DISTRICT:

At a glance:

Key Statistics:
- Area: 17,658 square kilometres
- Population: 40.46 lakhs
- Literacy rate: 77.37%
- District Domestic Product: ₹ 25,505 crore (~6% share in the State GDP)

Connectivity:
National Highway (NH) 44 & NH 40 give wide connectivity to the district

KADAPA DISTRICT:

At a glance:

Key Statistics:
- Area: 15,359 square kilometres
- Population: 28.82 lakhs
- Literacy rate: 67.88%
- District Domestic Product: ₹ 21,229 crore (~5% share in the State GDP)

Connectivity: Airport near Kadapa city soon to be operational

CHITTOOR DISTRICT:

At a glance:

Key Statistics:
- Area: 15,359 square kilometres
- Population: 41.70 lakhs
- Literacy rate: 72.36%
- District Domestic Product: ₹ 30,359 crore (~7% share in the State GDP)

Connectivity: 160 km. from Chennai and 180 km. from Bangalore

Natural Resource Endowment:
- 31% of area under forests

Profile of Economic Activities:
- Leading producer of tomatoes and onions - offers good prospects for setting up food processing industries
- 7 Industrial Estates; 31 Large and Medium Scale Industries with an investment of about 5000 crores and providing employment to about 10,000 people; and about 5000 micro and small enterprises

Natural Resource Endowment:
- World’s single largest and best quality deposits of Barytes
- Monopoly in availability of superior variety of Asbestos
- Famous for eponymous stone (the ‘Kadapa stone’ used in building construction)
- World’s only deposits (other than Russia) of a rare hard mineral named Fullerene (in the Barytes mines at Mangampet) with applications in material science, electronics, and nanotechnology

Profile of Economic Activities:
- Home to the holy city of Tirupathi, which attracts the highest number of domestic tourists
- Rich in agricultural resources with food industries constituting nearly 30% of the total number of units and contributing to 34% of total employment and 19% of investment
- Planned Integrated Business City (Township) of SriCity that houses many multinational companies like Pepsico, Colgate-Palmolive, Cadbury, Isuzu Motors, Alstom, Kellogg’s; in addition to 16 Industrial Estates

Profile of Economic Activities:
- Leading producer of tomatoes and onions - offers good prospects for setting up food processing industries
- 7 Industrial Estates; 31 Large and Medium Scale Industries with an investment of about 5000 crores and providing employment to about 10,000 people; and about 5000 micro and small enterprises

Natural Resource Endowment:
- World’s single largest and best quality deposits of Barytes
- Monopoly in availability of superior variety of Asbestos
- Famous for eponymous stone (the ‘Kadapa stone’ used in building construction)
- World’s only deposits (other than Russia) of a rare hard mineral named Fullerene (in the Barytes mines at Mangampet) with applications in material science, electronics, and nanotechnology

Profile of Economic Activities:
- Leading producer of tomatoes and onions - offers good prospects for setting up food processing industries
- 7 Industrial Estates; 31 Large and Medium Scale Industries with an investment of about 5000 crores and providing employment to about 10,000 people; and about 5000 micro and small enterprises

Connectivity:
National Highway (NH) 44 & NH 40 give wide connectivity to the district
SPSR NELLORE DISTRICT:
At a glance:

Key Statistics:
- Area: 13,076 square kilometres
- Population: 29.66 lakhs
- Literacy rate: 69.15%
- District Domestic Product: ₹ 25,529 crore (~6% share in the State GDP)

Connectivity:
165 Km away from Chennai; NH5 gives wide connectivity

Natural Resource Endowment:
- Coastline of 102 Km
- Deposits of world-famous Black Galaxy Granite, Iron ore, Clays, Silicon sand, Granite, Slate and Manganese
- Designer Slate Stones at Markapuram

Profile of Economic Activities:
- Krishnapatnam Port among the top five ports for marine exports
- 38 Large and Medium Industries including industrial ventures like the Adidas factory and Tata's Leather Park at Tada
- Multiple SEZs viz. Apache SEZ Development India Private Limited, Andhra Pradesh Investment Infrastructure Corp. Ltd, SEZ at Naidupeta, Mas Fabric Park (India) Pvt. Ltd, Bharatiya International SEZ, IFFCO Kisan SEZ

PRAKASAM DISTRICT:
At a glance:

Key Statistics:
- Area: 17,626 square kilometres
- Population: 33.92 lakhs
- Literacy rate: 63.53%
- District Domestic Product: ₹ 29,966 crore (~7% share in the State GDP)

Connectivity:
Inland Container Depot near Guntur City setup for better port connectivity

Natural Resource Endowment:
- Coastline of approximately 100 km
- Famous for its Limestone deposits
- Krishnariver provides for irrigation through Prakasam Barrage and Nagarjuna Sagar Dam

Snapshot of Economic Activities:
- Centre for export of Tobacco, Cotton and Chilly
- 15 Industrial Estates and 51 Large and Medium Scale Industries

GUNTUR DISTRICT:
At a glance:

Key Statistics:
- Area: 11,391 square kilometres
- Population: 48.89 lakhs
- Literacy rate: 67.99%
- District Domestic Product: ₹ 41,346 crore (~10% share in the State GDP)

Connectivity:

Natural Resource Endowment:
- Coastline of 102 Km
- Deposits of world-famous Black Galaxy Granite, Iron ore, Clays, Silicon sand, Granite, Slate and Manganese
- Designer Slate Stones at Markapuram

Economic Activities:
- Rich in production of commercial crops like Tobacco, Cotton and Bengal Gram
- Annual production of inland and marine fish and prawns of approximately 15,000 metric tons
- 9 Industrial Estates/SEZs at Ongole, Markapur, Giddalur, Gundlapalli, Singarayakonda and Chirala
- 76 Large and Medium Enterprises with an investment of about ₹2000 crore in agro, chemical, food and textile sectors and providing direct employment to 20,000 people; and about 6500 Micro and Small Enterprises with an investment of ₹ 1300 crore and providing direct employment to about 65,000 people
- Readymade Garments Cluster at Chirala and Salt Cultivation Cluster at Chinganjam Mandal proposed
- Designer Slate Stone Cluster at Markapur and Granite Cluster at Chimakurthy may also be set up

Profile of Economic Activities:
- Krishnapatnam Port among the top five ports for marine exports
- 38 Large and Medium Industries including industrial ventures like the Adidas factory and Tata’s Leather Park at Tada
- Multiple SEZs viz. Apache SEZ Development India Private Limited, Andhra Pradesh Investment Infrastructure Corp. Ltd, SEZ at Naidupeta, Mas Fabric Park (India) Pvt. Ltd, Bharatiya International SEZ, IFFCO Kisan SEZ
Connectivity:
Visakhapatnam port serves as “Eastern Gateway” for access to South and Southeast Asia, Japan and Korea.

Natural Resource Endowment:
• Fertile soil coupled with nearly 70% of land area irrigated by Krishna River and tributaries
• Rich marine resources
• Famous for its Limestone deposits

Profile of Economic Activities:
• Visakhapatnam houses industries in sectors such as oil refinery, zinc, fertilizers, steel, dredging, heavy engineering, ship building, power generation
• Strong base of marine, engineering, textile and pharmaceuticals industries
• Exports of marine products to the tune of ₹7000 crore accounting for 22.47% of India’s total exports in FY 2013-14
• SEZs such as APSEZ, Atchuthapuram, Brandix India Apparel City Pvt. Ltd, Hetero Infrastructure Pvt. Ltd. and Ramky Pharma City (India) Pvt. Ltd. house many multi-national companies in
• Potential for Petroleum and Petrochemical, Chemical, Engineering, Textile and Marine industries

VIZIANAGARAM DISTRICT:
At a glance:

Key Statistics:
• Area: 6,539 square kilometres
• Population: 23.42 lakhs
• Literacy rate: 59.49%
• District Domestic Product: ₹15,748 crore (~4% share in the State GDP)

Snapshot of Economic Activities:
• Agriculture-based industries such as jute mills, sugar factories, rice and oil mills
• Iron-alloy based industries
• Export of high Carbon Ferro Chrome to South Korea
**SRIKAKULAM DISTRICT:**

**At a glance:**

**Key Statistics:**
- Area: 5,837 square kilometres
- Population: 26.99 lakhs
- Literacy rate: 62.3%
- District Domestic Product: ₹15,877 crore (~4% share in the State GDP)

**Connectivity:**
Proximate to Visakhapatnam Airport, major sea ports and to mineral rich areas in the states of Odisha and Chattisgarh

**Natural Resource Endowment:**
- Rich resource base of Granite, Cashew, Coconut, fruits, Beach Sand Minerals, Salt and Sea Food

**Snapshot of Economic Activities:**
- Hub for agriculture-based industries and agriculture forms economic backbone
- Hub for export of prawns
- Home to Ceramic units, Sugar mills, Rice mills, Oil refineries, Carpet Industries, Lace Industries

**EAST GODAVARI DISTRICT:**

**At a glance:**

**Key Statistics:**
- Area: 10,807 square kilometres
- Population: 51.52 lakhs
- Literacy rate: 71.35%
- District Domestic Product: ₹43,759 crore (~10% share in the State GDP)

**Connectivity:**
Proximate to Visakhapatnam Airport, major sea ports and to mineral rich areas in the states of Odisha and Chattisgarh

**Natural Resource Endowment:**
- Availability of fertile delta lands, agricultural and horticultural resources
- Abundant marine and fisheries resources
- Availability of natural gas deposits
- Availability of minerals - Laterite, Crude oil, Fire clay and China clay, Road metal, Gravel, Colour Granites, Sand and Building

**Snapshot of Economic Activities:**
- One of the largest oil & gas hubs in India
- Major fertilizer factories
- Deep water port in Kakinada

**WEST GODAVARI DISTRICT:**

**At a glance:**

**Key Statistics:**
- Area: 7,700 square kilometres
- Population: 39.35 lakhs
- Literacy rate: 74.32%
- District Domestic Product: ₹35,114 crore (~8% share in the State GDP)

**Connectivity:**
Proximate to Visakhapatnam Airport, major sea ports and rivers

**Natural Resource Endowment:**
- Rich resource base of Granite, Cashew, Coconut, fruits, Beach Sand Minerals, Salt and Sea Food

**Snapshot of Economic Activities:**
- Strong base in pharmaceutical, food processing and mineral-based industries
- Availability of natural gas deposits
- Availability of minerals - Laterite, Crude oil, Fire clay and China clay, Road metal, Gravel, Colour Granites, Sand and Building

- One of the largest oil & gas hubs in India
- Major fertilizer factories
- Deep water port in Kakinada
Andhra Pradesh has traditionally been one of the favoured destinations for overseas investors. A healthy business environment with predictable and non-discriminatory regime reduces the risk of doing business and is a major contributor to driving foreign investments. The State Government aims to strengthen this trend and promote accelerated growth in foreign investments in the State. GoAP is committed to providing world class infrastructure, state-of-art R&D centres and quality human capital to attract FDI inflows into the state. In order to facilitate and attract foreign investments, dedicated country desks shall be setup in the State. These desks will act as the ‘Trusted Advisor’ and will help sustain interest of investors. Following support services will be provided to potential investors by select country desks:

- Engage with key agencies / investors from country
- Provide handholding services in the form of local information and expertise
- Provide support in setting up Regional Office in the State
- Coordinate visits of country delegations to Andhra Pradesh
- Provide logistics support for conduct of feasibility studies
- Liaison with GOI departments for any requirements
- Coordinate with Single Desk for tracking “Interest-Investment” cycle
- Establish a comprehensive portal with business opportunity related information

GoAP would be setting up 11 country/region desks, which are the following:

1) United States of America
2) United Kingdom
3) France
4) Germany
5) Rest of Europe including CIS countries
6) Central and Latin America
7) Middle East, West Asia and Africa
8) China
9) Japan
10) East and South East Asia
11) Australia, New Zealand and Pacific
Andhra Pradesh is endowed with a vast variety of mineral wealth. Historically, the state has been known for mining, though most of the mined minerals have traditionally been exported without much value addition. There is significant under and un-tapped mineral wealth in the state, which is poised to act as a catalyst for establishment of many industries in sectors associated with mines and minerals. Such industries would not only generate employment, wealth and revenue to the state, but will also significantly enhance the value addition being done to the state’s natural wealth.

Recognizing its tremendous potential, the Mines and Mineral Sector has been identified as one of the growth engines for accelerating economic activity and building up prosperity to the state. This will enhance the state’s capacity to successfully achieve targets envisioned by the Hon’ble Chief Minister. In order to capitalize on these significant and inherent strengths, a mission mode approach has been adopted, along with a set of objectives and strategies to fully leverage the same.

The mission proposes to encourage setting up of mineral based industries across the state with a suitable policy initiatives. This include the following initiatives:

i. Cement industry will be promoted in the districts of Guntur, Kadapa, Kurnool and Anantapur, where massive lime stone reserves are available, so as to augment the cement production in the state by another 40 million tons in the next 10 years. This is to be done with an estimated investment of Rs.50,000 Crore making Andhra Pradesh the leading producer of cement in the country.

ii. Bauxite, which is one of the important mineral deposits in the tribal areas, will be leveraged through establishing two additional Aluminium plants. This has to be done while taking into account due safeguards for the interests of the tribal people.

iii. The significant reserves of Oil and Gas in the Krishna-Godavari Basin can be leveraged for setting up of gas based projects such as power plants (especially for peak loads), fertilizer units and ceramic factories etc.

iv. Sand mining, an important economic activity, would be regulated through a new Sand Mining Policy 2014, which involves Zila Mahila Samakhyas and Mandal Samakhyas/Grama Samakhyas/Grama Sangams. The Andhra Pradesh Mineral Development Corporation (APMDC) is the nodal agency for the same.

v. Other minerals such as Manganese, Heavy Mineral Beach Sands, Barytes, Uranium, Iron Ore, Quartz and Quartzites, Marble, and Granite etc. also present huge opportunity for industrial development in several districts of the state.

The mission also proposes to hire services of the best survey agencies for prospecting the mineral deposits in the most scientific manner. Additionally, Global Positioning System (GPS) will be leveraged for survey and better utilization of resources.
### 11.1 Minerals-Reserves, Existing and Upcoming Industries

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Reserves</th>
<th>Existing Mineral Based Industries</th>
<th>Upcoming Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manganese</td>
<td>10 million tons</td>
<td>17 Ferro Mangan alloy Industries</td>
<td>10 Ferro Mangan alloy Industries</td>
</tr>
<tr>
<td>Bauxite</td>
<td>615 million tons</td>
<td>1 Alumina Industry</td>
<td>3 Industries</td>
</tr>
<tr>
<td>Heavy Mineral Beach Sands</td>
<td>153 million tons</td>
<td>2 Mineral Separation Plants</td>
<td>6 Industries</td>
</tr>
<tr>
<td>Lime Stone</td>
<td>26,000 million tons</td>
<td>26 Cement Plants with installed capacity of 49.90 MTPA</td>
<td>10-15 Cement Plants</td>
</tr>
<tr>
<td>Barytes</td>
<td>50 million tons</td>
<td>175 Pulverizing Units</td>
<td>70 Pulverizing Units</td>
</tr>
<tr>
<td>Uranium</td>
<td>19 million tons</td>
<td></td>
<td>1 UCIL for non-conventional energy</td>
</tr>
<tr>
<td>Iron Ore</td>
<td>450 million tons</td>
<td>6 Sponge Iron Plants</td>
<td>5 Sponge Iron Plants</td>
</tr>
<tr>
<td>Clays</td>
<td>73 million tons</td>
<td>35 Ceramic Units</td>
<td>10 Ceramic Units</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Reserves</th>
<th>Existing Mineral Based Industries</th>
<th>Upcoming Industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quartz &amp; Quartzite</td>
<td>63 million tons</td>
<td>50 Pulverizing Units</td>
<td>20 Pulverizing Units</td>
</tr>
<tr>
<td>Copper</td>
<td>8.25 million tons</td>
<td></td>
<td>1 (HZL with APMDC)</td>
</tr>
<tr>
<td>Lead &amp; Zinc</td>
<td>6 million tons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oil &amp; Natural Gas</td>
<td>Not estimated</td>
<td>1 Unit On-shore (ONGC)</td>
<td>1 Unit Off-shore (Reliance Industries)</td>
</tr>
<tr>
<td>Black, Galaxy &amp; Multi Color Granite</td>
<td>1443 Million Cubic Meter</td>
<td>400 Granite Units (20-Gangsaw + 380-SSI Units)</td>
<td>100 Granite Units (10-Gangsaw + 90 SSI Units)</td>
</tr>
<tr>
<td>Road Metal for crushing</td>
<td>Not estimated</td>
<td>1000 Crushing Units</td>
<td>200 Crushing Units</td>
</tr>
<tr>
<td>Manufacture Sand</td>
<td>Not estimated</td>
<td></td>
<td>25 Units</td>
</tr>
</tbody>
</table>

*Units: MTPA = Million Tonnes Per Annum, SSI = Small Stone Industries*
Given the criticality of land availability for industrialisation, GoAP has decided to create an Industrial Land bank of around 10 lakh acres at the apex level. Considering various industrial needs, Andhra Pradesh Industrial Infrastructure Corporation (APIIC) has taken several initiatives and achieved significant progress in identifying Government land in compact blocks, not fit for cultivation and un-assigned land suitable for industrial development. So far large parcels of land have been identified in Visakhapatnam, Prakasam, Nellore, Anantapur, Kadapa and Kurnool districts at strategic locations. The lands identified by APIIC have been posted on APIIC website with GIS tagging along with other attributes of the land (such as distance from Highway, availability of resources etc.) to enable prospective investors to get to know about the features of the land parcel without having to physically visit the site.
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