

# Economic Scenario of Andhra Pradesh: Achieving Double Digit Inclusive Growth

B.E.V.L.NAIDU

Associate Professor, Department of Commerce and Management Studies, Aditya Degree and P.G.College, Laxmi Narayana Nagar, Kakinada-533003, East Godavari District, Andhra Pradesh

## ABSTRACT

The article highlights the economic scenario of Andhra Pradesh for the period 2011-16 through Gross State Domestic Product (GSDP) and related parameters, and presents the recent trends in the newly formed residuary State, after Telangana State was carved out of it on 2<sup>nd</sup> June 2014. Section I deals with analysis of economic and social parameters during 2011-16, and projections for the future at State and District levels. Publications of the Directorate of Economics and Statistics, and Planning Department, Government of Andhra Pradesh released during 2015 and 2016 have been utilised for this purpose. In Section II, Vision 2029 visualised by the Andhra Pradesh Government for achieving Double Digit Inclusive Growth through annual Rolling Plans for the periods 2015-16 to 2022-23, to 2029-30, and later to 2050-51 has been discussed. Section III presents the components of the Special Financial Package announced by Government of India for Andhra Pradesh in the context of overcoming the post-bifurcation problems, and building a river front, world class capital city, Amaravati, covering parts of Krishna and Guntur Districts. Optimism of the state planners and leadership is complimented by the researchers for pursuing relentless efforts through innovative and tech savvy approaches for sustainable double digit inclusive growth. For 2015-16, growth rate of GSDP for the State at constant prices with 2011-12 as the base is 10.99 per cent (India 7.6%), growth rate of Gross Value Added (GVA) at constant prices 10.5 per cent (India 7.3%), and per capita income at current prices ₹ 1,07,532, crossing ₹ one lakh mark for the first time (India ₹ 93,231). Rolling Plan visualises that the annual GSDP growth rate should touch at least 16 per cent in the next few years.

**Key words:** GSDP, GVA, Inclusive Growth, Andhra Pradesh

## Introduction

Andhra Pradesh is envisaging a big structural transformation – both in terms of economic progress and well-being of people as well. From a modest beginning in 2015-16, the State aspires to achieve the status of a developed state in the country by 2029 in between navigating through one among the best three states by 2022 with a vision

to lay foundation of the sunrise State of Andhra Pradesh. Eventually, Andhra Pradesh is to become a leading investment destination in the World by 2050. Swift growth in double digit, better infrastructure, participatory planning, and better governance through effective service delivery marked with improved Happiness Index are going to be the key milestones for realisation of Vision 2029 formulated by the State..

Andhra Pradesh, in the present form, in the post-bifurcation period from June 2, 2014, when the division of the State into Telangana and residuary Andhra Pradesh took place, consists of 13 districts with two regions – Coastal Andhra (9 districts) and Rayalaseema (4 districts). The State's population in 2015 has crossed the 5 crore mark. This is one of the progressive major states in the country pursuing development strategies with sufficient attention paid to sustainable development goals (SDGs) on the social and human development scenario. The state is the 7<sup>th</sup> largest in area, and 10<sup>th</sup> largest in population among the 16 major states of the country. In social indicators, it has a long way to go to be on a par with the other southern and western states as revealed from Table 1. The state has many advantages for sustainable growth of the economy. It has the second longest coastline of 974 kms., next only to Gujarat. Visakhapatnam is the largest city and a commercial hub of the state, followed by Vijayawada. Both are million cities as per 2011 population Census. The other commercial and industrial centres include: Guntur, Kakinada, Rajamahendravaram, Kurnool, and Tirupati. Hyderabad is currently the joint capital for a period not exceeding ten years from 2014. The State is building a river-front, world class capital city, Amaravati, covering parts of Krishna and Guntur districts, in the area declared as capital region. The state is endowed with a variety of physio-geographic features ranging from Eastern ghats, Nallamala forests, Coastal plains to deltas of major rivers of Krishna and Godavari. The state

pioneered in green revolution in the 1970s with focus on paddy cultivation. It is known as the rice bowl of India.

At the end of September 2015, large and mega industries in the state number 1,784 enterprises, with ₹ 81,261 crore fixed investment, and employment of 4.36 lakhs. At the end of March 2015, micro, small and medium enterprises (MSMEs) number 1,09,399, with fixed investment of ₹ 19,000 crore, and employment of 12.09 lakhs. There are 272 industrial estates and industrial development areas in the state promoted from early 1960s, with a few developed in the recent two decades. These are now known as industrial parks, covering an area of over 36,000 acres. Of the 29 Special Economic Zones (SEZs) formally approved for the state, 19 have become operational in seven districts, of which 8 are in Visakhapatnam district. There are four Software Technology Parks at Visakhapatnam, Kakinada, Vijayawada, and Tirupati. Among the 13 districts, seven are categorised as less developed for which special attention needs to be paid for accelerating industrialisation. These are four districts of Rayalaseema and three of North Coastal Andhra (Srikakulam, Vizianagaram and Visakhapatnam).

### **I. Economic Scenario of the State during 2011-16, and beyond**

Latest literature available at the state level has been referred to for analysing the recent and future socio-economic scenario of Andhra Pradesh for the period 2011-16, and beyond. Sources of data are listed here. These are all publications of the Directorate of Economics and Statistics, and Planning Department, Government of Andhra Pradesh.

1. Performance Appraisal and District Economic Scenario 2015-16
2. Mandal Domestic Product 2015-16
3. Achieving Double Digit Inclusive Growth: Rolling Plan 2015-16
4. Socio-economic Survey of Andhra Pradesh 2015-16
5. Budget Speech 2016-17 of the Finance Minister, Government of Andhra Pradesh, Yanamala Ramakrishnu, delivered on March 10, 2016

The following tables have been prepared, as given towards the end of the paper.

1. Andhra Pradesh in relation to six other major states and all India – economic indicators
2. GVA/ GSDP estimates sector-wise at constant prices for Andhra Pradesh and India for 2013-16
3. GVA and GSDP Sector-wise of Andhra Pradesh and India at current prices for 2011-16
4. Relative position of 13 districts of Andhra Pradesh in relation to the state regarding GVA and PCI during 2014-16
5. GVA Sector-wise, GDDP, and PCI for 13 districts of Andhra Pradesh at current prices during 2015-16
6. Grouping of 13 districts in terms of GVA growth at constant prices, and share in state GVA at current prices for 2015-16: Growth-share matrix for 13 districts of AP
7. Top 3 sectors in 13 districts of Andhra Pradesh in terms of GVA and sectoral share at current prices for 2015-16

The Directorate of Economics and Statistics, Government of Andhra Pradesh brings out time series statistical data on the progress of the state on various aspects. Utilising the guidelines and pattern prescribed by the Central Statistical Office of Government of India, the state level directorate has brought out estimates at various periods for GVA, GSDP, and other related indicators sector-wise for Andhra Pradesh and 13 districts from 2011-12, with 2011-12 as the new base year. The latest available data are for 2015-16 as advance estimates (AE), and 2016-17 as targets. For earlier years, the data are referred to as first revised estimates (FRE), second revised estimates (SRE), and third revised estimates (TRE). Sector-wise estimates at sub-state level help the government to plan for balanced regional development of the state. On similar lines, District Domestic Product (DDP) and Mandal Domestic Product (MDP) estimates prepared sector-wise reveal the strong and weak areas of the respective regions. MDP estimates are considered as broadly 'indicative' reflecting the economic status of the mandals in the district. The assessment of sector-wise analysis at mandal level facilitates micro level planning in greater detail. These estimates form the base for identifying the

strong and weak points of growth, and growth engines for planning of activities at micro level. Estimates on these lines have been prepared for Andhra Pradesh for 2015-16 (AE) and 2016-17 (targets), on quarterly basis to facilitate monitoring and evaluation at periodic intervals.

It can be observed from Table 2 that GVA of Andhra Pradesh at constant prices for 2015-16 (AE) is estimated at ₹ 4,55,484 crore as against ₹ 4,12,188 crore during 2014-15 (FRE), and registered growth of 10.5% (India 7.3%). The sectoral growth rates are 8.40% for agriculture (India 1.12%), 11.13% for industry (India 7.35%), and 11.39% for services (India 9.19%). A targeted approach encompassing all the sectors, has been quite helpful for analysing the past trends sector-wise, and identifying the growth engines, and weak aspects. GSDP growth rate at constant prices for the State in 2015-16 is 10.99% (India 7.6%). Sector-wise percentage shares at current prices in GVA for the State and India for 2015-16 are: agriculture 29.4 (India 18.25), industry 23.6 (India 31.7), services 47.0 (India 50.02). Annual GSDP growth rate at constant prices for the State was 5.6% in 9<sup>th</sup> Plan, 8.2% in 10<sup>th</sup> and 11<sup>th</sup> Plans, and 10.2% envisaged in the 12<sup>th</sup> Plan.

## II. Vision 2029 – Sunrise State of Andhra Pradesh

Andhra Pradesh has set for itself a target of becoming one of the top three states in India by 2022, in terms of socio-economic development and ease of doing business. The State aspires to achieve the status of a developed state in the country by 2029, and the vision is to lay the foundation for the Sunrise State of Andhra Pradesh. Achievement of this vision is incumbent upon a fast paced and sustainable double digit growth, delivered through a combination of programmatic and project interventions with focus on sustainable and inclusive development.

Andhra Pradesh is poised at an interesting juncture in history as it tries to balance the varied challenges that bifurcation has created for the residuary state, including managing budget fiscal deficit and establishing improved governance system. Under the leadership of the Hon'ble Chief Minister Sri Nara Chandra Babu Naidu, the Government of Andhra Pradesh has evolved a comprehensive long term vision for bringing about the State's socio-economic development in an accelerated and sustainable manner. The state is

set to transform from the routine, business as usual (BAU) status to a dynamic and thriving Andhra Pradesh where the fulcrum of development is the people. The key milestones of the long term vision for the State are as follows:

To achieve the level of development envisioned in Vision 2029, the State will have to move from the current growth rate of 7% GSDP to a double digit growth rate of more than 10% for each upcoming year, beginning from 2015-16 (constant prices).

The Andhra Pradesh Vision 2029 envisages increasing the GSDP from the current level of ₹ 5.33 lakh crore (2015) to approximately ₹ 41.53 lakh crore by 2029 estimated at an achievable scenario of 16% growth rate. The Double Digit Growth Rate Strategy will enable the economy to attain the status of a developed economy with per capita income likely to touch ₹ 6.62 lakh by 2029-30 if the annual growth rate is consistently above 10% level, and in the event of its crossing this threshold, the per capita income may even touch ₹ 8.00 lakh mark. The State has the potential to reach this level through the Framework of Double Digit Growth envisaged. The State will be pursuing a robust online monitoring and evaluation framework in respect of key performance indicators.

The Government is conscious of the challenges ahead. And towards realising its vision, the Government has charted out a multi-pronged strategy. There is a need for structural shift towards high growth trajectory and deeper and radical reforms to achieve the development envisioned in Vision 2029. During the transition period, the government will unveil a 'rolling planning process' to provide necessary momentum to the economy and a double digit growth rate.

### Double Digit Growth in India's GDP – A few Snapshots:

Arresting the pace of diminishing rate of productivity is identified as one of the key components to sustain double digit growth at the National level. Economic trends underline that output of the Nation could be increased annually by 7%, without risking inflation, of which 3.5% is accountable by greater capital absorption, 2% attributable to the growing workforce while the balance 1.5% through efficiency improvements. Making power available to small manufacturers at affordable prices boosts competitiveness of

pharmaceutical, textiles, auto-parts makers, etc. Government reforms in these industries could push the potential GDP's growth to 7.8%. Stronger property rights, superior regulatory institutions and better fiscal management are expected to push the growth by 1%. While all these measures (7.8%+1%) in place still do not assure the 9% mark, the huge reform process of arresting the pace of diminishing rate of productivity remains to be the key for placing the growth pedestal on the double digit mark, and sustaining it thereafter.

**Achieving Inclusive Growth – Andhra Pradesh**

Currently the poverty level (2011-12) in Andhra Pradesh stands at 9.2%, and has witnessed

a noteworthy reduction from 45% in 1993-94. This is considerably lower than the national average of 21.9%, and the pace of income poverty reduction is also rapid. The poverty ratio for rural and urban areas of Andhra Pradesh was 10.9% and 5%, respectively. The corresponding figures for all India were 25.7% and 13.7%. The performance of the state in reducing the poverty has been remarkable. The absolute number of the poor in the state declined from 19 million in 1993-94 to 5 million in 2011-12.

Fig. 1: Framework for Double Digit Inclusive growth for Andhra Pradesh (2015-2029)



2015-16	2022-23	2029-30	2050-51
	<b>On completion of 75 years of our Independence, to be amongst the Three High Performing States in India</b>	<b>Best State in the Country</b>	<b>Leading Investment Destination in the World</b>

**The State of Andhra Pradesh will be the best state in India by 2029-30 in achieving inclusive growth and ranking better on happiness index; and a leading investment destination in the World by 2050-2051**

As per one estimate, the elasticity of poverty with respect to GSDP for the State is 1.50 as against 0.86 for all India. Hence achieving double digit growth will accelerate substantial reduction in poverty.

While the State of Andhra Pradesh has displayed remarkable economic performance and succeeded in reducing the absolute poverty, inclusive and equitable growth has not been commensurate. Further, Andhra Pradesh though faring comparatively well in many indicators under the Millennium Development Goals (MDGs), the gains are smaller in comparison with other

southern States like Kerala and Tamil Nadu. With the MDGs reaching their deadline, a new transformative and universal Sustainable Development Goals (SDGs) will be adopted in the state as envisaged at the national level. Building on the MDGs, the SDGs propose to end poverty and deprivation in all forms, leaving no one behind, while making development economically, socially and environmentally sustainable. This presents a challenge and an opportunity for the Government of Andhra Pradesh.

The AP State in its long term growth agenda envisages ensuring participation of all

stakeholders: and laying foundation for a rapid growth momentum through the seven missions, five grids, five campaigns, Janmabhoomi programme and the Smart Village and Smart Ward Programme, with measurable targets and strategies.. These are three pillars the state is building. Figure 1 presents the details in a diagrammatic form.

- The seven missions are Primary Sector Mission, Industry Sector Mission, Service Sector Mission, Knowledge and Skill Development Mission, Social Empowerment Mission, Urban Infrastructure Mission, and Infrastructure Mission.
- The five grids, namely, Water Grid, Power Grid, Roads Grid, Gas Grid, and Optic Fiber Grid will ensure proper service connectivity.
- Five campaigns are taken up for improving sanitation, health, education, and financial inclusion. The State departments have identified growth engines by adopting a bottom up approach, with a focus on leveraging the lagging sectors in 2015-16 towards stimulating growth of the economy.

Establishing the Single Desk System and various reforms introduced in the State have facilitated the State being considered a favoured investment destination. The Department of Industrial Policy and Promotion, Government of India, and the World Bank have ranked Andhra Pradesh as number 2 state in the country in the Ease of Doing Business in a study carried out by them in September 2015. In this context, it is heartening to learn that out of the total Foreign Direct Investment inflow into the country during 2015-16, of ₹ 1,39,000 crore, Andhra Pradesh accounted for ₹ 22,000 crore (15.8%), and was ranked number one state.

### III. Special Financial Package announced by the Centre for Andhra Pradesh on September 7, 2016

Government of India announced on September 7, 2016, a Special Financial Package in lieu of Special Category Status (SCS) promised for the state under the Andhra Pradesh State Reorganisation Act 2014. This took shape after prolonged discussions between the Centre and the State over a period of two years and three months.

Following the recommendations of the 14<sup>th</sup> Finance Commission, the class of Special Category Status ceases to exist. In view of its inability to consider granting SCS for Andhra Pradesh, the Centre offered the Special Package to the state which is considered equivalent if not higher in comparison to the SCS. Government of Andhra Pradesh after extensive deliberations accepted the package, and requested the Centre to give a statutory backing to the provisions contained in the package through individual notifications. Details of the notification issued by the Central Board of Direct Taxes (CBDT) under the Union Ministry of Finance are presented later. The handholding support being extended by the Centre to Andhra Pradesh on various programmes by treating it as a special state, is summarised here through the main areas spelt out in the announcement and subsequent discussions. (Source: www.finmin.nic.in)

1. Centre advancing funds through externally aided projects, which would be totally repaid by the Centre. The externally aided projects refer to loans to be obtained from institutions like the World Bank, Asian Development Bank, and individual governments of a few countries.
2. Centre bearing the total cost of Polavaram multi-purpose project on river Godavari in West Godavari district. The Centre is committed to ensuring its completion in the fast track. The Centre declared Polavaram as a national project, and has asked the state government to continue to take up works on the project as it had come forward to execute it setting definite timelines to it.
3. The Centre has agreed to bridge the entire revenue deficit of the state that remains after enhanced devolution of central taxes for the term of the 14<sup>th</sup> Finance Commission of 42% compared to 32% earlier. This provision is applicable for three states – Andhra Pradesh, Odisha, and West Bengal.
4. Entire cost of establishing premier educational, healthcare, and other institutions in the state as central projects will be borne by the Centre.
5. Centre will bear the entire cost of construction of the world class new capital city for Andhra Pradesh, known as Amaravati, falling in the capital region of the state.

6. Substantial hike in the Centre's contribution to centrally-sponsored schemes to be implemented in the state.
7. Smart cities programme at present covers three cities in the state, namely, Visakhapatnam, Kakinada, and Tirupati. It is planned to cover the new city of Amaravati, when it becomes operational.
8. Special package to backward areas in identified districts- namely, seven districts, four of Rayalaseema and three of North Coastal Andhra. This facility is being extended to designated backward districts of Telangana also. ₹ 1,050 crore per year for seven districts of AP, at ₹ 150 crore per district as annual grant from the Centre. Special fiscal concessions will also be extended in these districts for accelerating industrialisation in less developed regions.
9. Greater support for infrastructure development in the state, covering airports, sea ports, railways, national highways, and waterways.

#### Notification of CBDT on Fiscal Incentives for AP in designated districts

The notification issued by the Central Board of Direct Taxes (CBDT) on 30<sup>th</sup> September 2016 is applicable for seven less developed districts of AP – namely, four districts of Rayalaseema – Anantapuram, Chittoor, YSR Kadapa, and Kurnool, and three North Coastal districts – Srikakulam, Vizianagaram, and Visakhapatnam. This is a follow up of the special financial package announced by the Centre on 7<sup>th</sup> September 2016 for Andhra Pradesh. Entrepreneurs can avail tax incentives under Section 32(1)(ia) and Section 32AD of the Income Tax Act. (Source: [www.finmin.nic.in](http://www.finmin.nic.in))

Any manufacturing undertaking set up between April 1, 2015 and March 31, 2020 – for a period of five years - in the designated districts would be eligible for 15 per cent higher additional depreciation, and 15 per cent investment allowance on the cost of plant and machinery acquired by it. These incentives will be in addition to other tax benefits applicable under the Income tax Act.

#### Conclusion

The progress of Andhra Pradesh in terms of growth rates of GSDP and related indicators has been modest, and a lot more remains to be done to improve the performance in social indicators. The current GSDP growth rate level at constant prices of 11% needs to be improved at a faster pace to reach the level of 16% in the next few years, and further improved upon in the subsequent years. The structural shift in labour deployment from farm to non-farm sectors is to be accelerated, with improvement in productivity and efficiency on all fronts. The state's performance in reducing poverty levels over years has been remarkable. Achieving double digit inclusive growth is to be further accelerated for improving the happiness index of the people of the region.

The Vision 2029 for Andhra Pradesh envisages creating a conducive ecosystem on all fronts. Priority areas are e-governance where we leverage the power of Information Technology to lead and transform citizen services; a social empowerment that encourages rural entrepreneurship; and fostering entrepreneurship, innovation, incubation, and inclusiveness in all sectors of the economy. Innovativeness and technology orientation have to be given greater encouragement.

#### References

1. Government of Andhra Pradesh, Planning Department (2016), *Socio-economic Survey of Andhra Pradesh 2015-16*, Hyderabad.
2. *Budget Speech 2016-17 of the Finance Minister, Yanamala Ramakrishnu, delivered on March 10, 2016, Hyderabad.*
3. *Performance Appraisal and District Economic Indicators 2015-16, Hyderabad.*
4. *Achieving Double Digit Inclusive Growth: Rolling Plan 2015-16, Hyderabad.*
5. Government of India, Ministry of Finance Website: [www.finmin.nic.in](http://www.finmin.nic.in)

Fig. 1: Framework for Double Digit Inclusive Growth for Andhra Pradesh (2015-29)

Seven Missions	Economic Development Board	State Enterprises Architecture	Key Performance Indicators		
	Primary Sector Mission	Industry Sector Mission	Service Sector Mission		
<b>Primary Sector Mission</b>	<ul style="list-style-type: none"> <li>Mitigate drought through water conservation</li> <li>Storage processing &amp; value addition</li> </ul>	<ul style="list-style-type: none"> <li>Enhance state-wide road connectivity</li> <li>Create SEZs and NIMZs</li> </ul>	<ul style="list-style-type: none"> <li>Development of ITIRs and electronic clusters</li> <li>100% Fiber optic connectivity &amp; high speed broadband</li> </ul>		
<b>Industry Sector Mission</b>	<ul style="list-style-type: none"> <li>Create a pool of trained, knowledgeable and skilled human resources</li> <li>Establish world class centres of excellence</li> <li>Foster innovation and research</li> <li>Ensure growth with equity (Happiness Index)</li> <li>Enhance quality of life with focus on health and sanitation</li> <li>Promote healthy lifestyle</li> <li>Create amenities for Urban growth &amp; Tier II &amp; Tier III Cities</li> <li>Enhance urban amenities with inbuilt social safeguards</li> <li>Improve transportation, housing and employment in urban areas</li> </ul>			<b>Five Campaigns</b>	
<b>Service Sector Mission</b>				Badi Pilistondi/School is Calling	
<b>Knowledge &amp; Skill Development Mission</b>				Pedarikam Pai Gelupu/Victory over Poverty	
<b>Social Empowerment Mission</b>				Aarogyam Parisubhrata / Health & Sanitation	
<b>Urban Infrastructure Mission</b>	<ul style="list-style-type: none"> <li>Develop infrastructure for primary, secondary and tertiary sectors</li> <li>Facilitate development of industrial infrastructure including logistics (Industrial Corridors)</li> </ul>			Neeru Chettu / Water & Trees	
<b>Infrastructure Mission</b>				Polam Pillstondi / Revival of Agriculture	
				<b>Five Grids</b>	
	Water Grid	Power Grid	Roads Grid		
		Gas Grid	Optic Fiber Grid		

Source: Government of Andhra Pradesh, Planning Department (2015), *Achieving Double Digit Inclusive Growth – A Rolling Plan 2015-16*, Hyderabad.

**Table 1: Area, Population, GSDP and PCI (NSDP) at Current Prices of Andhra Pradesh & a few Major States, and All India, along with Ranks among Major States**

State	Area (000'sq kms)	Rank	Population (in crore) (2011)	Rank	Urbanisation (%) (2011)	Literacy (%) (2011)	Size of GSDP ( ₹ lakh crore)		GSDP growth rates at constant prices (%)			Rank of GSDP growth rates			PCI at current prices (in ₹)		
							2014-15	2015-16	2013-14	2014-15	2015-16	2013-14	2014-15	2015-16	2014-15	Rank	2015-16
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Andhra Pradesh	163	7	4.96	10	29.5	67.4	5.33	6.03	8.5	7.98	10.99	2	4	1	95,689	9	107,532
Telangana	112.1	10	3.5	12	39	66.3	5.22	5.83	6.43	8.82	9.24	6	2	4	129,182	6	143,023
Tamil Nadu	130.1	9	7.21	6	48	80.33	11.21	na	9.92	8.65	na	8	1	3	135,806	3	na
Karnataka	191.8	6	6.11	8	39	75.8	9.08	10.23	6.9	7.79	6.23	5	6	6	130,897	5	145,799
Kerala	38.9	16	3.34	13	48	93.91	5.2	na	4.54	6.67	na	14	9	na	138,390	2	na
Maharashtra	307.7	3	11.24	2	45	82.91	17.92	19.69	6.24	5.76	8.0	8	13	5	134,081	4	na
Gujarat	196.2	5	6.04	9	43	79.31	8.95	na	8.31	7.7	Na	3	7	na	124,358	7	na
<b>All India</b>	<b>3287.5</b>		<b>121.09</b>		<b>31.2</b>	<b>73.0</b>	<b>124.88</b>	<b>135.7</b>	<b>6.64</b>	<b>7.24</b>	<b>7.57</b>				<b>86,879</b>		<b>93,231</b>

**Notes:** 1. Ranks given in the table for seven states are in relation to 16 major states of the country, with one crore and above population

2. GSDP: Gross State domestic Product; GDDP: Gross District Domestic Product; GVA: Gross Value Added; PCI: Pper capita Income; NSDP: Net State Domestic Product

3. GSDP/GDDP growth rates are calculated at constant (2011-12) prices; Contribution (share) of sectors/ sub-sectors to GVA, GSDP, and GDDP is calculated at current prices (New base 2011-12). PCI is calculated at current prices.

**Source for tables 1 to 7:** Government of Andhra Pradesh, Planning Department, Directorate of Economics and Statistics (2016), *Performance Appraisal and District Economic Scenario 2015-16*, Hyderabad.



**Table 2: GVA/GSDP Estimates Sector-wise at Constant (2011-12) Prices for 2013-16**

(Value in ₹ crore)

Andhra Pradesh				All India	
Sector	2013-14(SRE)	2014-15 (FRE)	2015-16(AE)	2014-15(FRE)	2015-16 (AE)
1	2	3	4	5	6
Agriculture	109204 (10.79)	112465 (2.99)	121915 (8.40)	1584293 (-0.24)	1602036 (1.12)
Industry	100131 (3.91)	109045 (8.90)	121178 (11.13)	3035003 (5.88)	3258041 (7.35)
Services	170944 (10.21)	190678 (11.54)	212391 (11.39)	5108195 (10.34)	5577502 (9.19)
<b>GVA</b>	380280 (8.64)	412188 (8.39)	455484 (10.50)	9727490 (7.10)	10437579 (7.30)
Net of PT – PS	31606	32564	38157	824660	913384
<b>GSDP</b>	411886 (8.50)	444752 (7.98)	493641 (10.99)	10552150 (7.24)	11350963 (7.57)

- Notes:**
- Figures given in parentheses indicate percentage variation over the previous year.
  - Stages of finalising GVA/GSDP estimates: AE: Advanced estimates; FRE: First Revised Estimates; SRE: Second Revised Estimates; TRE; Third Revised Estimates
  - GVA plus Net of PT minus PS results in GSDP. PT: Product taxes, PS: Product subsidies.
  - GSDP of Andhra Pradesh at constant (2011-12) prices in 2015-16 (AE) is estimated at ₹ 493,641 crore as against ₹ 444,752 crore of 2014- 15, resulting in a growth of 10.99% . (all India 7.6%).

**Table 3: GVA and GSDP Sector-wise of Andhra Pradesh & India at Current Prices (2011-12 base year) for 2011-16  
(Value in ₹ crore)**

Sl. No.	Sector	Andhra Pradesh					India (% share)	
		2011-12	2012-13	2013-14	2014-15 (FRE)	2015-16 (AE)	2014-15	2015-16
	1	2	3	4	5	6	7	8
1	Agriculture	94751(27.1)	112605(29.7)	129633(30.0)	146803(29.7)	1640869(29.4)	17.4	17.0
2	Industry	111867(32.0)	100859(26.6)	107715(24.9)	121506(24.6)	131643(23.6)	30.0	29.7
3	Services	142963(40.9)	165570(43.7)	194725(45.1)	225587(45.7)	261917(47.0)	52.6	53.3
4	GVA	349581(100)	379034(100)	432073(100)	493896(100)	557646(100)	100	100
5	Product Taxes	42439	46565	51414	54278	61245	-	-
6	Product subsidies	12790	14638	14993	15252	15515	-	-
7	GSDP	379230	410961	468494	532922	603376	-	-
8	PCI(NSDP) (₹)	68866	74639	84579	95689	107532	-	-

**Note:** Figures given in parentheses indicate percentage share to GVA.

**Table 4: Area, Population, GVA at Current Prices, and its growth at constant Prices, and PCI at Current Prices of Districts of Andhra Pradesh (New Base Year 2011-12) for 2014-16, along with Ranks**

Sl. No	District	Area (in 000' sq.Kms)	Rank	Population (in Lakhs) (Proj.) (2015)	Rank	Size of GVA (2015-16) (000'Cr.)	Rank	District GVA Growth Rates at Constant Prices		Rank on Dist. GVA Growth Rates		PCI at Current Prices (in ₹ )		Rank
								2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Krishna	8.7	10	45.97	3	66.75	1	9.25	12.88	4	1	122773	140593	2
2	Visakhapatnam	11.2	9	43.66	4	65.13	2	5.92	12.33	11	2	124717	140628	1
3	East Godavari	12.8	7	53.78	1	57.66	3	6.33	10.21	9	7	92451	104336	7
4	Guntur	11.4	8	49.73	2	55.87	4	8.61	8.74	6	10	99162	109556	5
5	West Godavari	8.5	11	40.66	8	50.32	5	13.31	11.75	1	3	107606	121784	3
6	Chittoor	15.2	5	42.47	5	43.87	6	8.62	11.25	5	6	87355	100443	8
7	Anantapuram	19.1	1	41.53	6	37.97	7	12.32	7.71	2	13	81742	89084	10
8	Prakasam	17.6	3	34.57	9	37.64	8	7.55	9.13	8	9	97104	107706	6
9	Kurnool	17.7	2	41.25	7	36.85	9	6.21	8.47	10	11	79781	88308	11
10	SPS Nellore	13.1	6	30.15	10	35.85	10	8.49	11.7	7	4	103140	115928	4
11	YSR Kadapa	15.4	4	29.33	11	27.57	11	11.94	8.37	3	12	82734	91888	9
12	Vizianagarm	6.5	12	23.86	13	21.19	12	5.79	9.99	12	8	76623	86223	12
13	Srikakulam	5.8	13	27.5	12	20.99	13	3.68	11.47	13	5	64971	74638	13
<b>Andhra Pradesh</b>		<b>163</b>		<b>504.46</b>		<b>557.65</b>		<b>8.37</b>	<b>10.5</b>			<b>95689</b>	<b>107532</b>	

- Districts are arranged in the descending order of GVA in 2015-16 (AE).
- Districts with GVA growth rate above that of the State in 2015-16 (AE) (10.50%): Krishna (12.88%), Visakhapatnam (12.23%), W. Godavari (11.75%), SPS Nellore (11.70%), Srikakulam (11.47%), and Chittoor (11.25%).

**Table 5: Population, GDDP, GVA, and PCI for Districts of Andhra Pradesh Sector-wise at Current Prices (New base 2011-12) with Ranks for 2015-16 (AE)**

(₹. in crore)

SI. NO	District	Population (lakhs) (in 2015 proj)	Rank	GDDP	Rank of GDDP	GVA	Agriculture Sector		Industries Sector		Services Sector		Per Capita Income	
							Sector GVA	Rank	Sector GVA	Rank	Sector GVA	Rank	PCI in ₹	Rank
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	Krishna	45.97	3	72219	1	66746	21326	2	13460	3	31960	2	140593	2
2	Visakhapatnam	43.66	4	70470	2	65129	8003	10	24532	1	32593	1	140628	1
3	E.Godavari	53.78	1	62383	3	57655	17174	3	15004	2	25477	4	104336	7
4	Guntur	49.73	2	60453	4	55871	17168	4	12425	4	26279	3	109556	5
5	W.Godavari	40.66	8	54443	5	50317	22697	1	6475	11	21145	5	121784	3
6	Chittoor	42.47	5	47464	6	43867	10978	8	11871	5	21018	6	100443	8
7	Ananthapuram	41.53	6	41085	7	37971	10522	9	8876	7	18574	7	89084	10
8	Prakasam	34.57	9	40732	8	37645	13671	5	8913	6	15061	10	107706	6
9	Kurnool	41.25	7	39876	9	36854	12505	6	6786	9	17563	8	88308	11
10	SPS Nellore	30.15	10	38793	10	35853	11521	7	7754	8	16579	9	115928	4
11	YSR Kadapa	29.33	11	29826	11	27566	7613	11	6655	10	13298	11	91888	9
12	Vizianagaram	23.86	13	22924	12	21186	5894	12	4493	12	10800	13	86223	12
13	Srikakulam	27.5	12	22707	13	20986	5015	13	4400	13	11571	12	74638	13
<b>Andhra Pradesh</b>		<b>504.6</b>		<b>603376</b>		<b>557646</b>	<b>164086</b>		<b>131643</b>		<b>261917</b>		<b>107532</b>	
<b>Sector % share in relation to State GVA</b>						<b>100</b>	<b>29.4</b>		<b>23.6</b>		<b>47.0</b>			

- Notes : 1. Districts are arranged in the descending order of GDDP for 2015-16 (AE).  
 2. Districts with GVA growth rate above that of the state in 2015-16 (AE) (10.50%): Krishna (12.88%), Visakhapatnam (12.23%), W. Godavari (11.75%), SPS Nellore (11.7%), Srikakulam (11.47%), and Chittoor (11.25%).

**Table 6: Grouping of Districts of Andhra Pradesh in terms of GVA Growth at Constant Prices, and its Contribution to the State (Share) at Current prices, Matrix for 2015-16 (AE) (New base 2011-12)**

<b>High Growth &amp; High Contribution (&gt;10%)</b>		<b>High Growth (&gt;10%) &amp; Low Contribution (&lt;10%)</b>	
Krishna	G:12.88, C :11.92	West Godavari	G:11.75, C :8.82
Visakhapatnam	G:12.23, C :12.03	SPS Nellore	G:11.70, C :6.42
East Godavari	G:10.21, C :10.55	Srikakulam	G:11.47, C :3.73
		Chittoor	G:11.25, C :7.78
<b>Low Growth (&lt;10%) &amp; High Contribution (&gt;10%)</b>		<b>Low Growth (&lt;10%) &amp; Low Contribution (&lt;10%)</b>	
Guntur	G:8.74, C :10.18	Vizianagaram	G:9.99, C :3.70
		Prakasam	G:9.13, C :6.73
		Kurnool	G:8.47, C :6.56
		YSR Kadapa	G:8.37, C :4.81
		Ananthapuram	G:7.71, C :6.77

- G-Growth rate of district GVA (2015-16 (AE) at Constant (2011-12) Prices, C - % Contribution (share of GVA of the district to the State)
- Growth rate ranges from 7.71% to 12.88% among the 13 districts
- Contribution ranges from 3.70% to 12.03% among the 13 districts
- Krishna, Visakhapatnam, and East Godavari are highly potential districts.
- Guntur & West Godavari districts are well equipped to join the top 3 districts.
- YSR Kadapa, Ananthapuram, Kurnool, Srikakulam and Prakasam districts are yet to realise the full potential.

**Table 7: Top 3 Sectors in Districts of Andhra Pradesh in terms of share in GVA at Current Prices for 2015-16 (AE) (New base 2011-12)**  
(Value in ₹ crore)

SI. No.	District/ GVA at current prices	Rank – 1 Sector & its contribution to District GVA	Rank – 2 Sector & its contribution to District GVA	Rank – 3 Sector & its contribution to District GVA
1	2	3	4	5
1	Srikakulam – 20986 (100)	Other services – 2715 (12.93)	Real estate & ownership of dwellings – 2513 (11.97)	Agriculture - 2225 (10.60)
2	Vizianagaram – 21186 (100)	Agriculture – 3291 (15.53)	Other services - 2706 (12.77)	Manufacturing – 2313 (10.92)
3	Visakhapatnam – 65129 (100)	Manufacturing – 16005 (24.57)	Real estate & ownership of dwellings – 7421 (11.3)	Trade, hotels, and restaurants -6905 (10.60)
4	E. Godavari – 57655 (100)	Agriculture – 8330 (14.4)	Manufacturing – 6085 (10.55)	Livestock - 5554 (9.63)
5	W. Godavari – 50317 (100)	Fishing -8750 (17.39)	Agriculture - 8704 (17.30)	Trade, hotels & restaurants - 5196 (10.33)
6	Krishna - 66746 (100)	Fishing - 7881 (11.81)	Real estate & ownership of dwellings – 7058 (10.57)	Agriculture - 6966 (10.44)
7	Guntur -55871 (100)	Agriculture – 10691 (19.14)	Trade, hotels & restaurants -5336 (9.55)	Manufacturing – 5263 (9.42)
8	Prakasam – 37645 (100)	Agriculture – 7258 (19.28)	Livestock - 4452 (11.82)	Construction - 4103 (10.90)
9	SPS Nellore – 35853 (100)	Fishing - 4477 (12.49)	Agriculture -4336 (12.09)	Construction - 3477 (9.70)
10	Chittoor - 43867 (100)	Livestock – 5473 (12.48)	Agriculture - 4981 (11.35)	Manufacturing – 4765 (10.86)
11	YSR Kadapa– 27566 (100)	Agriculture – 5258 (19.07)	Other services - 2984 (10.82)	Construction -2914 (10.57)
12	Ananthapuram – 37971 (100)	Agriculture – 7014 (18.47)	Other services - 3998 (10.53)	Real estate & ownership of dwellings – 3569 (9.40)
13	Kurnool – 36854 (100)	Agriculture – 8379 (22.74)	Other services - 4038 (10.96)	Construction - 3565 (9.67)
<b>Andhra Pradesh - 557646 (100)</b>		<b>Agriculture – 80251 (14.39)</b>	<b>Real estate &amp; ownership of dwellings – 52394 (9.40)</b>	<b>Manufacturing – 52316 (9.38)</b>

**Note:** Figures given in parentheses indicate percentage contribution to district GVA