

Economic Scenario of Andhra Pradesh: Achieving Double Digit Inclusive Growth

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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 2nd 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 7th largest in area, and 10th 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

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		
Primary Sector Mission	<ul style="list-style-type: none"> Mitigate drought through water conservation Storage processing & value addition 	<ul style="list-style-type: none"> Enhance state-wide road connectivity Create SEZs and NIMZs 	<ul style="list-style-type: none"> Development of ITIRs and electronic clusters 100% Fiber optic connectivity & high speed broadband 		
Industry Sector Mission	<ul style="list-style-type: none"> Create a pool of trained, knowledgeable and skilled human resources Establish world class centres of excellence Foster innovation and research Ensure growth with equity (Happiness Index) Enhance quality of life with focus on health and sanitation Promote healthy lifestyle Create amenities for Urban growth & Tier II & Tier III Cities Enhance urban amenities with inbuilt social safeguards Improve transportation, housing and employment in urban areas 			Five Campaigns	
Service Sector Mission				Badi Pilistondi/School is Calling	
Knowledge & Skill Development Mission				Pedarikam Pai Gelupu/Victory over Poverty	
Social Empowerment Mission				Aarogyam Parisubhrata / Health & Sanitation	
Urban Infrastructure Mission	<ul style="list-style-type: none"> Develop infrastructure for primary, secondary and tertiary sectors Facilitate development of industrial infrastructure including logistics (Industrial Corridors) 			Neeru Chettu / Water & Trees	
Infrastructure Mission				Polam Pillstondi / Revival of Agriculture	
				Five Grids	
	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
All India	3287.5		121.09		31.2	73.0	124.88	135.7	6.64	7.24	7.57				86,879		93,231

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)
GVA	380280 (8.64)	412188 (8.39)	455484 (10.50)	9727490 (7.10)	10437579 (7.30)
Net of PT – PS	31606	32564	38157	824660	913384
GSDP	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 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
Andhra Pradesh		163		504.46		557.65		8.37	10.5			95689	107532	

- 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 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)

High Growth & High Contribution (>10%)		High Growth (>10%) & Low Contribution (<10%)	
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
Low Growth (<10%) & High Contribution (>10%)		Low Growth (<10%) & Low Contribution (<10%)	
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.

