

## Unit – 1

### National Income

National Income is the total value of final goods and services produced in a country at particular point of time is called National Income.

In General Languages National income is GDP at market prices.

But in economic terms National income is NNP at factor cost.

#### The concepts of national income:

**1. Gross National Product (GNP):** GNP is defined as the total market value of final goods and services produced in the economy in a year by country's factors of production including net income from abroad.

GNP includes four types of final goods and services;

- a) Consumers goods and services (C)
- b) Gross investment or investment goods (I)
- c) Goods and services produced by Government or government expenditure (G)
- d) Net income from abroad (X - M)

X – M = the difference between value of exports and imports of goods and services

$$\text{GNP}_{\text{MP}} = C + I + G + (X - M)$$

$$\text{GNP}_{\text{FC}} = C + I + G + (X - M) + \text{subsidies} - \text{indirect taxes}$$

$$\text{GNP}_{\text{FC}} = \text{GNP}_{\text{MP}} - \text{Indirect Taxes} + \text{Subsidies}$$

**2. Net National Product (NNP):** Firm use continuously machines and tools for the production of goods and services. This result in a loss of value due to wear and tear of fixed capital is called depreciation. When we subtract depreciation from GNP we obtain NNP

$$\text{NNP}_{\text{MP}} = \text{GNP}_{\text{MP}} - \text{Depreciation}$$

$NNP_{FC} = GNP_{FC} - \text{Depreciation (or)} NNP_{MP} - \text{Indirect Taxes} + \text{Subsidies.}$

$NNP_{FC} = GNP_{MP} - \text{Depreciation} - \text{Indirect Taxes} + \text{Subsidies.}$

$NNP_{FC} = \text{National Income}$

National Income at Market Prices = National Income at factor cost + indirect taxes – Subsidies.

National Income at Factor Costs = National Income at market prices - indirect taxes + Subsidies.

In case of Market prices there are no subsidies but there will be indirect taxes

In case of factor cost there will be subsidies but there will not be indirect taxes.

**3. Gross Domestic Product (GDP):** GDP is defined as the total market value of final goods and services produced in the territory of the country in a particular point of time. Net income from abroad will not include in GDP. GDP includes three types of final goods and services.

a) Consumers goods and services (C)

b) Gross investment or investment goods (I)

c) Goods and services produced by Government or government expenditure (G)

$GDP = C + I + G.$

$GDP_{MP} = GNP_{MP} - \text{Net income from abroad}$

$GDP_{FC} = GDP_{MP} - \text{Indirect Taxes} + \text{Subsidies}$

**4). Net Domestic Product (NDP):** If we subtract depreciation from GDP we obtain the Net Domestic Product.

$NDP = GDP - \text{Depreciation}$

$NDP_{MP} = GDP_{MP} - \text{Depreciation}$

$NDP_{FC} = GDP_{FC} - \text{Depreciation}$

$$\text{NDP}_{\text{FC}} = \text{GDP}_{\text{MP}} - \text{Depreciation-indirect taxes} + \text{subsidies}$$

**5). Personal Income:** Personal income is defined as the sum total of all current incomes received by persons and firms from all sources. But there is difference between the national income and personal income. Because social security payments, corporate taxes, undistributed profits are deducted from national income and only remaining is received by persons and transfer of payments should be added to national income.

$$\text{Personal Income} = \text{National income} - \text{undistributed profits} - \text{Social security contributions} - \text{Corporate Taxes} + \text{Transfer of payments}$$

**6). Disposable Income:** Personal income totally is not available for spending. In the form of income tax and property taxes has to pay to government, which must be deducted to obtain disposable income.

$$\text{Disposable Income} = \text{Personal Income} - \text{Personal taxes}$$

From disposable income people spend money and remaining amount will be saving by people. So we can write Disposable Income as

$$\text{Disposable Income} = \text{Consumption} + \text{Saving}$$

**7). Per Capita Income:** National Income when divided by Nation's population, Per Capita Income is obtained. Average income of the people is called Per Capita Income.

$$\text{Per Capita Income} = \text{National Income} / \text{Total Population.}$$

The purchasing power of the per capita income is called the real Per Capita Income. The average standard of living of people will increase if Per Capita Income increases.

- There is no change in per capita income when national income growth rate is equal to population growth rate
- Per capita income will reduce when the population growth is more than the national income growth rate
- Per capita income will increase when the national income growth rate is more than the population growth rate.
- If national income is fixed but population is increasing PCI will come down
- If national income is fixed but population decreases PCI will increase

- If national income will increase but population is fixed then PCI will increase.
- Population is fixed and NI is fixed then PCI also fixed.

Before independence NI estimated by

- Dadabai Nauroji- in 1868
- William Digbi- in 1899
- Shindle Shirron – in 1911,1922,1931
- Shah –in 1921
- V.K.R.V. Rao- in 1925-29,
- R.C Desai- in 1931-40
- V.K.R.V.Rao in 1931-32 in his book called “National Income in British India”. Estimated scientifically
- The government of India appointed the National Income estimation Committee in 1949 under the Chairmanship of Prasant Chandra. Mahalanobis and members’ were V.K.R.V.Rao and D.R.Gadgil. Based on this committee recommendation Central Statistical Organization (CSO) established in Delhi. This organization submitted first report in 1951 and second report in 1954.
- In 1950 National Sample Survey established and it was renamed as National Sample Survey Organization (NSSO) in 1970.
- Since 1954, CSO is estimating national income with the help of NSSO.
- National Statistical Commission established in January, 2000 under the Chairmanship of Dr. C. Rangarajan.
- This Committee recommended one permanent National Statistical Organization as an independent body.
- Based on the recommendation of Rangarajan committee an independent and permanent National Statistical Organization established in June 1, 2005.
- CSO and NSSO both will come under the control of National Statistical Organization.
- Since 2008-09 onwards National Statistical Organization will estimate the National Income. Present National Statistical Organization Chairman is R. Radha Krishna (since July 2009).

**GSDP**: GSDP is defined income generated by the factors of production physically located within the geographical boundaries of the state and represents the value of goods and services within the state. When we are calculating GSDP we should not calculate the value of raw material and intermediary goods. GSDP is called state gross income.

**NSDP:** GSDP- Depreciation

Every year CSO sends the depreciation value to the directorate of economic and statistics.

To calculate the state per capita income NSDP is using.

Per capita income of the state = state income /state population

State income = NSDP – indirect taxes + Subsidies

Every year State Economic & Statistics announce the GSDP, NSDP and PCI of the state based on the current prices and constant prices.

1960-61, 1970-71, 1980-81, 1993-94 and 1999-2000, are the base years for AP

Since February, 2007, 1999-2000 year is the following as the base year price based on the recommendation of CSO.

**GSDP of AP based on the constant prices (1999-2000)**

S.No	Year	Current prices	Growth rate	Constant prices	Growth rate
1	2000-01	144723 C	12.37%	139312 C	8.16%
2	2001-02	156711 C	8.28%	145185 C	4,22%
3	2002-03	167096 C	6.63%	149142 C	2.73%
4	2003-04	190017 C	13.72%	163085 C	9.35%
5	2004-05	211802 C	11.47%	176379 C	8.15%
6	2005-06	239682 C	13.16%	194437 C	10.24%
7	2006-07 (R.E)	277286 C	15.69%	216140 C	11.16%
8	2007-08 (Q.E)	328405 C	18.44%	239102 C	10.62%
9	2008-09 (A.E)	371229 C	13.04%	252318 C	5.53%

Source: 2008-09 AP economic survey.

All India GDP at current and Constant Prices

Year	India's GDP at current prices	Growth rate in %	India'GDP at constant prices (1999-2000)	Growth rate in %
2000-01	1925016 C	7.75%	1864300 C	4.35%
2001-02	2097726 C	8.97%	1972605 C	5.81%
2002-03	2261415 C	7.80%	2048287 C	3.84%
2003-04	2538170 C	12.24%	2222759 C	8.52%
2004-05	2877701 C	13.38%	2388768 C	7.47%
2005-06	3282385 C	14.06%	2616101 C	9.52%
2006-07(RE)	3779384 C	15.14%	2871120 C	9.75%
2007-08(QE)	4320893 C	14.33%	3129717 C	9.01%
2008-09(AE)	4933183 C	14.17%	3339375 C	6.70%

State Per Capita Income: State income / State population

Year	Andhra Pradesh				India			
	Current Prices	Growth rate	Constant Prices	Growth rate	Current prices	Growth rate	Constant prices	Growth rate
2000-01	17195	11.46%	16574	7.19%	16688	5.08%	16172	1.83%
2001-02	18573	8.02%	17782	3.84%	17782	6.56%	16764	3.66%
2002-03	19434	4.64%	17486	1.31%	18885	6.20%	17101	2.01%
2003-04	21931	12.85%	18961	8.44%	20895	10.64%	18317	7.11%
2004-05	23925	9.09%	19871	4.80%	23199	11.03%	19325	5.50%
2005-06	26662	11.44%	21334	7.36%	25956	11.88%	20858	7.93%

2006-07 (RE)	30439	14.17%	22835	7.04%	29642	14.20%	22553	8.13%
2007-08 (QE)	35864	17.82%	24969	9.35%	33131	11.77%	24256	7.55%
2008-09(AE)	39597	10.41%	26983	3.01%	37490	12.64%	25494	4.94%

**Gross District Domestic Product:** District Product or income is defined as the sum total of economic value of goods and services produced within the geographical boundaries of the district, irrespective of the fact whether persons reside inside the district or outside owning that income.

**GDDP in AP at Factor Cost:**

Rank	GDDP in different Years at current prices		GDDP in different Years at constant prices (1999-2000)	
	2005-06 (in Crore Rupees)	2006-07 (R) (in Crore Rupees)	2005-06 (in Crore Rupees)	2006-07 (R) (in Crore Rupees)
1	Vishakhapatnam (18923)	Hyderabad (21709)	Hyderabad (15090)	Hyderabad (17099)
2	Hyderabad (18476)	Vishakhapatnam (21696)	Vishakhapatnam (14644)	Vishakhapatnam (16237)
3	East Godavari (16088)	Ranga Reddy (18627)	East Godavari (12930)	Ranga Reddy (15153)
4	Ranga Reddy (15911)	East Godavari (18409)	Ranga Reddy (12813)	East Godavari (14423)
5	Krishna (15538)	Krishna (17835)	Krishna (12580)	Krishna (13914)
6	Guntur (12978)	Guntur (14628)	Guntur (10733)	Guntur (11674)
7	West Godavari (13531)	West Godavari (13531)	West Godavari (9764)	West Godavari (10682)
8	Karimnagar (12812)	Kadapa (12812)	Karimnagar (9419)	Karimnagar (10375)
9	Medak (12264)	Karimnagar (12264)	Medak (8356)	Medak (9446)
10	Nalgonda (10600)	Medak (11734)	Chittor (7657)	Prakasam (8606)

11	Prakasam (9361)	Prakasam (11075)	Kurnool (7636)	Chittor (8447)
12	Kurnool (9342)	Nalgonda (10600)	Nalgonda (7618)	Nalgonda (8334)
13	Chittor (9270)	Chittor (10471)	Prakasam (7535)	Khammam (8151)
14	Anantapur (9096)	Anantapur (9970)	Khammam (7392)	Kurnool (7729)
15	Khammam (8826)	Nellore (9853)	Anantapur (7179)	Anantapur (7676)
16	Mahaboobnagar (8693)	Khammam (9747)	Mahaboobnagar (7165)	Mahaboobnagar (7538)
17	Nellore (8143)	Kurnool (9688)	Warangal (6467)	Nellore (7163)
18	Warangal (7657)	Mahaboobnagar (9072)	Nellore (6330)	Warangal (6987)
19	Adilabad (6486)	Warangal (8451)	Adilabad (5418)	Adilabad (6274)
20	Kadapa (6158)	Adilabad (7249)	Kadapa (5003)	Kadapa(5750)
21	Nizamabad (6123)	Nizamabad (6123)	Nizamabad (4599)	Nizamabad (5133)
22	Srikakulam (6036)	Srikakulam (6036)	Srikakulam (4197)	Srikakulam (4842)
23	Vizianagaram (5705)	Vizianagaram (5705)	Vizianagaram (3911)	Vizianagaram (4506)

**District Per Capita Income at Factor Cost:**

Rank	District Per Capita Income in different Years at current prices		District Per Capita Income in different Years at constant prices (1999-2000)	
	2005-06 (in Rupees)	2006-07 (R) (in Rupees)	2005-06 (in Rupees)	2006-07 (R) (in Rupees)
1	Vishakhapatnam (39815)	Vishakhapatnam (44999)	Hyderabad (31550)	Hyderabad (35776)
2	Hyderabad (38375)	Hyderabad (44767)	Vishakhapatnam (31082)	Vishakhapatnam (33980)
3	Ranga Reddy (33338)	Kadapa (41757)	Ranga Reddy (26936)	Ranga Reddy (31021)
4	Medak (31781)	Ranga Reddy (37810)	Krishna (25601)	Medak (28431)
5	Krishna (31615)	Krishna (35703)	Medak (25552)	Krishna (28057)
6	Khammam (29384)	Medak (35123)	Khammam (24731)	Khammam (26814)
7	East Godavari	East Godavari	Karimnagar	East Godavari (25764)

	(28771)	(32706)	(23365)	
8	Karimnagar (27703)	Khammam (31903)	East Godavari (23238)	Karimnagar (25338)
9	West Godavari (27684)	Prakasam (31651)	West Godavari (22423)	Prakasam (24679)
10	Prakasam (26991)	Nellore (31587)	Prakasam (21771)	West Godavari (24611)
11	Nellore (26341)	West Godavari (30933)	Guntur (21509)	Guntur (23285)
12	Guntur (25928)	Karimnagar (29773)	Nellore (20557)	Nellore (23139)
13	Nalgonda (25007)	Guntur (29023)	Nalgonda (20211)	Nalgonda (21757)
14	Kurnool (22820)	Nalgonda (27510)	Kurnool (18715)	Adilabad (21118)
15	Adilabad (22144)	Adilabad (24262)	Adilabad (18586)	Chittor (19179)
16	Anantapur (21541)	Chittor (23609)	Mahaboobnagar (17682)	Kadapa (18960)
17	Mahaboobnagar (21366)	Anantapur (23267)	Chittor (17585)	Kurnool (18610)
18	Chittor (21170)	Kurnool (23222)	Warangal (17189)	Nizamabad (18469)
19	Kadapa (20448)	Vizianagaram (22521)	Anantapur (17087)	Warangal (18376)
20	Warangal (20213)	Warangal (22047)	Nizamabad (16806)	Mahaboobnagar(18337)
21	Nizamabad (19856)	Mahaboobnagar (21962)	Kadapa (16668)	Anantapur (18010)
22	Vizianagaram (19471)	Nizamabad (21858)	Vizianagaram (15571)	Vizianagaram (17910)
23	Srikakulam (17887)	Srikakulam (20752)	Srikakulam (14566)	Srikakulam (16751)

## Human Development Index

Before 1991 so various methods used to measure the Economic Development. These are

- NI
- PCI
- NEW
- PQLI

In 1990, UNDP introduced HDI, which was prepared by Mahabub-ul Haq

UNDP classified into three categories based on the achievements of HDI points.

- 1.Low HDI countries: Less than 0.5 points countries total 22 countries are there in this category.
- 2.Medium HDI Countries: Between 0.5 – 0.79 points countries total 85 countries are there in this categories.
- 3.High HDI Countries: More than 0.8 points countries. Total 70 countries are there in this category.

Present Based on the following 6 items UNDP formulating HDR

- 1.HDI 1990
- 2.GDI 1995
- 3.GEM 1995
- 4.HPI-I 1997
- 5.HPI-II 1998
- 6.TAI 2001

Iceland is the first rank

Sierra Lyon is the last i.e. 177<sup>th</sup> rank.

### NHDR In INDIA

In 1997 United Nations Fund for People Activation (UNFPA) published a book called "India towards population and development goals" on Indian human development.

In 2002 Planning Commission released "National Human Development Report" for five states. This report was released for 1981, 1991, and

2001. Planning commission also used the indexes which were used by UNDP with little difference.

Items	UNDP	NHDR
Life expectancy	From birth	1. After one year 2. IMR
Education	1. Literacy 2. Gross enrolment in schools	1. Literacy above 7 years 2. Adult Education
PCI	Real PCI (PPP\$)	Per Capita Expenditure

States	1981		1991		2001	
	Points	Rank	Points	Rank	Points	Rank
Kerala	0.500	1	0.591	1	0.638	1
Punjab	0.411	2	0.475	2	0.537	2
Bihar	0.237	15	0.308	15	0.367	15
A.P	0.298	9	0.377	9	0.416	10

- More than 0.5 Points states are Kerala (1), Punjab (2), Tamilnadu (3), Maharashtra (4), and Haryana (5).
- Less than 0.4 points states are Bihar (15), Assam (14), UP (13), mp (12).
- Between 0.4 and 0.5 states are Gujarat (6), Karnataka (7), WB (8), Rajasthan (9), A.P. (10), and Orissa (11).

### GDI in 1981

States	Points	Rank
Kerala	0.872	1
AP	0.744	2
Maharashtra	0.740	3
Assam	0.462	14
UP	0.447	15
All India	0.620	--

### GDI in 1991

States	Points	Rank
Kerala	0.825	1
Tamilnadu	0.813	2
AP	0.801	3
Bihar	0.469	14
UP	0.520	13
All India	0.676	--

### APHDR

APHDR is prepared by CESS under UNDP project.

**HDI rank**            1991            2001

Hyderabad    1    1

Krishna    2    2

Mahaboobnagar    22    23

Vizianagaram    23    22

### **Education:**

Districts    2001

Hyderabad    1

West Godavari    2

Krishna    3

Kurnool    21

Medak    22

Mahaboobnagar    23

## Health:

Districts 2001

Hyderabad 1

Krishna 2

Guntur 3

Anantapur 21

Mahaboobnagar 22

Vizianagaram 23

## IMR:

Year	AP	India
1971	106	129
1981	86	110
1991	73	80
2002	62	63
2005	57	58

## Important facts in the report

1. SHG are showing better performance in AP.
2. AP is succeeded to control Population
3. HDI value is low (10)
4. Poverty in AP in 2004-05 is 15%
5. In case of IMR is 11<sup>th</sup> position out of 17 states.
6. During 1999-05 Real wage rate reduced
7. At the time of 2004-05 in AP total 94% labourers are working in unorganized sector.
8. Agricultural contribution reduced from 60% in 1950 to 22%.
9. There is more Child Labour problem. It was 14.8% in 1993-94 and it was reduced to 6.6% in 2004-05. It is two times more than the national level.

### Different Sectors Contribution to GSDP:

The different sectors contribution to GSDP is like the following

Year            Primary Sector   Secondary Sector   Tertiary Sector

First Phase

1960-61 63.48% 11.49% 25.02%

1966-67 61.35% 13.28% 25.36%

Second Phase

1967-68 61.10% 12.05% 26.86%

1986-87 36.64% 19.05% 41.31%

Third Phase

1987-88 39.32% 18.79% 41.89%

2000-01 33% 19.8% 47.2%

2004-05 26.88% 23.33% 49.79%

2006-07 27% 21.87% 51.13%

2007-08 28.3% 20.4% 51.3%

2008-09 27.1% 21.8% 51.1%

Different sectors contributions to GSDP at constant prices (1999-2000)

year	Agriculture sector	Industrial sector	Services sector
1960-61	63.48%	11.49%	25.02%
2000-01	30.2%	22.6%	47.2%
2008-09	23.9%	25.0%	51.1%

## Agriculture sector in Andhra Pradesh

### Land Utilization Particulars in Andhra Pradesh:

Total Geographical area 269.85 Lack Hectares, and 272.97 lack hectares was in 1960-61, 274.75 lack hectares 1962-62 and 275.04 lack hectares in 2008-09.

S.No	Land under	Are in lack hectares	In %
1	Forest	62.10	22.60%
2	Barren and un cultivable land	20.79	7.60%
3	Land put to non-Agriculture use	26.49	9.60%
4	Permanent Pastures and other grazing lands	5.77	2.10%
5	Misc. Tree Crops and Groves not included in Net Area Sown	3.17	1.10%
6	Cultivable waste land	6.52	2.40%
7	Other fallow lands	14.49	5.30%
8	Current Fallow	26.11	9.50%
9	Net Area Sown	109.60	39.80%
10	Total Geographical area	275.04	100.00%

**Agriculture Sector:** agriculture sector comprises agriculture, livestock, fishing and forest and logging.

#### 1. Agriculture:

- The agriculture alone contribution in GSDP is 14.57% in 2008-09 and agriculture and allied activities are contributed 23.9% and 27.1% is contributed primary sector to GSDP in 2008-09.
- Agriculture is alone contributing more than 60% in agriculture sector to GSDP in 2008-09.
- Agriculture alone growth rate 0.10% in 2008-09 at constant prices. And 9.79% at current prices.
- Agriculture provided to GSDP IN 1960-61 was 658.8 C. it is 36, 751 crores provided in 2008-09 at constant prices.

- Gross sown area in 2008-09 is 137.95lack hectors and it was 135.67 lacks hectors in 2007-08. Its growth rate is 1.68%
- Net sown area in 2008-09 is 109.6lack hectors and it was 108.43 lacks hectors in 2007-08. Its growth rate is 1.08%.
- The area under food grains is estimated at 74.3 lack hectors in 2008-09.
- The area under rice is estimated at 43.75 lack hectors in 2008-09
- The area under Jowar is estimated at 2.81 lack hectors in 2008-09
- The area under maize is estimated at 8.50 lack hectors in 2008-09
- The area under pulses is estimated at 17.72 lack hectors in 2008-09
- The area under total oil seeds is estimated at 25.87 lack hectors in 2008-09
- The area under groundnut estimated at 17.65 lack hectors in 2008-09.
- GOOD Grains production in 1960-61 was 64.21 LT, 1970-71 was 74.15 LT, 1980-81 was 99.91 LT, 1990-91 was 123.30 LT, 2000-01 was 160.27 LT, 2002-03 it was 106.55 LT, 2005-06 it was 169.50 LT and 2006-07 it was 162.29 LT.
- Rice production was 121.08 LT
- Oil seeds production was 12.47 LT

2. **Live stock**: this share in GSDP is 7.2%

- And during 2006-07
- Growth rates were 10.17%.
- And provided to GSDP is 14, 483 C in 2006-07.

3. **Fish Production**:

- Fishing share in GSDP is 2.7% during 2006-07
- and growth rate was 6.42% and
- Provided to GSDP in 4843 C and 2700 C export got in 2006-07.
- We have 974 KM coastal Line.
- AP is the 5<sup>th</sup> position in India in sea fish production

- And 2<sup>nd</sup> place in canal and tanks fish production.
- AP having 40% share in total Indian fish export.
- In 2006-07 Govt introduced insurance scheme for 2 lack fisher mans and Rs.50, 000 for deaths, Rs.25000 for handicapped.
- And Govt made Aquaculture Seed Act to control prices, and seed development.
- And Central Govt started in 2006 Coastal Sustainable Aquaculture Center in Kakinada.
- In 2006 central Govt established National Fishery Board in Hyderabad.
- In 2008 state govt is planning to start SEZ in Machilpatnam for to develop the export of fish.

4. Forests 0.72% in GSDP during 2006-07 and growth rate was 9.37% and provided 1476 C to GSDP in 2006-07.

#### **5. Mines & Quarrying:**

- It share in GSDP was 3% in 2006-07
- Growth rate was 10.86%.
- And provided 6176 C to GSDP IN 2006-07.
- Coal is the 1<sup>st</sup> place in the state in mining
- In 1999-2000 coal production was 29556 thousand tones
- 2004-05 it was 35302 thousand tones
- 2005-06 it was 36141 thousand tones.
- 10% coal production producing from Singareni in AP.
- In the state total 48 minerals identified and 42 minerals are producing.
- AP is the 2<sup>nd</sup> place in major mineral production in India.

#### **Secondary Sector:**

- In the secondary sector three major sub sectors are there
  1. Industries
  2. electricity, Gas and Water Supply
  3. Construction
- Industries are two types

1. Registered industries; this share in GSDP was 9% during 2006-07 and growth rate was 14.58%.

2.Unregistered industries: this share in GSDP was 3.51% in 2006-07 and growth rate was 13.18%.

- Electricity, Gas and Water Supply: their share in GSDP is 2.56% in 2006-07 and growth rate was 14.57%
- Construction: this share in GSDP is 6.8% in 2006-07 and its growth rate was 19.77%

### **Tertiary Sector**

In tertiary sector there are 4 main sub sectors.

1.Trade, Hotels and restaurants; This share to GSDP is 13.65% in 2006-07 and its growth rate was 13.72%

2.Railway, Transport, Communication and Ware houses

- Railway: this to GSDP is 1.48% and its growth rate was 16.09% in 2006-07.
- Other transports: its share to GSDP is 4.9% and its growth rate was 14.65% in 2006-07.
- Ware houses and Communications: its share to GSDP is 2.47% and its growth rate was 39.45% in 2006-07.

3.Financial Institutions, Insurance, real estate and business services

- Financial Institutions and Insurance: its share to GSDP is 4.85% and its growth rate was 13.92% in 2006-07.
- Real estates and business services: Its share to GSDP is 9.27% and its growth rate was 15.95% in 2006-07.

4.Community, personal and other services

- Public Administration: Its share to GSDP is 4.51% and its growth rate was 11.57% in 2006-07.
- Personal and Other services: its share to GSDP is 10% and its growth rate was 13.99% in 2006-07.

According to CSO estimation AP state Growth was 10.37%

Agriculture Growth rate was 10.37% (2.59% in India)

Industrial Growth rate was 9.88% (8.7% in India)

Services Sector Growth rate was 11.57% (10.53% in India)

**Primary Sector Contribution to Employment**

Year	Cultivators	Agricultural Labour	Total
1961	74.87	53.36	128.23 (35.6% TP)
1971	57.95	68.28	126.23
1981	74.08	83.25	157.33
1991	78.91	116.25	195.16 (29.34% TP)
2001	78.60	138.32	216.92 (28.5 TP)

**Primary Sector Contribution to Employment IN %**

Year	Cultivators	Agri Labourers	Total
1961	40.12%	28.59%	68.71%
1981	32.72%	36.79%	69.53%
1991	27.74%	40.87%	68.61%
2001	22.70%	39.60%	62.30%

Area	Cultivators		Agri Labourers		Total	
	1981	1991	1981	1991	1981	1991
Coastal area	28.83	23.29	40.19	45.80	69.02	69.09
Telangana	35.19	30.53	32.31	35.56	67.5	66.09
Rayalaseema	35.99	32.20	37.70	40.80	73.69	73.00

## Unit - 2

### Five Years Plans In Andhra Pradesh

State planning board chairman is Chief Minister

Present Andhra Pradesh planning board vice-chairman is H. Swami Nathan

State Government can appoint 6 to 9 members to planning board

State plans should be Assent by Central Planning Commission

According Central Planning Commission Central Government provide financial assistance to state plans.

#### First Five Year Plan: (1951-1956):

- Total proposed out lay was 63.66 C for Andhra
- Actual expenditure was 64.66 C for Andhra
- 42.63 C allocated for Hyderabad state and out of this 17.96 C allocated for Telangana Region. But actually spent by the Government for Telangana Region is 13.61 C. this estimation only.
- Total estimated outlay was during first five year plan was 96.78

#### **Different Sector allocation during first five year plan**

S.No	Sectors	Funds allocation
1	Agri development programmes	10.76 C
2	Cooperative sectors and community development	1.53 C
3	Irrigation and electricity	59.70 C
4	Industries and minerals	1.15 C
5	Transport and Communication	3.43 C
6	Social Services	18.40 C
7	Others	1.81 C
8	Total	96.78 C

- This amount decided by Madras planning commission and Central planning commission
- 1952 October onwards Community Development Programme started in AP
- 37.84 C (39.1%) funds allocated for Electricity
- 21.86 C (22.6%) allocated for irrigation
- Nagarjuna Sagar foundation lay down on Dec 10<sup>th</sup>, 1955
- 39 LT food grain production was there at the time of starting first five year plan but the end of first five year plan food grain production was 55 LT
- During this plan 56MW electricity additionally produced.

**Second Five Plan: (1956-61):**

- Total this plan out lay was 179.85 C
- Central Government assistance was 92.73 C
- Actual Expenditure was 188.60 C
- Out of this 121.35 C for Andhra and 58.50 for Telangana allocated.

**Different Sector allocation during Second five year plan**

S.No	Sectors	Out lay	Funds allocation
1	Agri development programmes		18.40 C
2	Cooperative sectors and community development		18.75 C
3	Irrigation and electricity		95.96 C
4	Industries and minerals		10.15 C
5	Transport and Communication		9.52 C
6	Social Services		33.05 C
7	Others		2.77 C
8	Total		188.60 C

- 33.05 C allocated for Social Services (17.52%)
- 57.43 C allocated for irrigation
- 38.53 C allocated for power

- Food grain production was increased from to 64.21 LT
- Irrigation facility provided during this plan was 1, 97,000 Hectors.
- During this plan Ramagundam Thermal power project, Nellore thermal power project and Tunga Bhadra Hydro project started.
- During this plan extra power production was 114 MW
- During this plan Andhra Pradesh State Finance Corporation (APSFC) and Andhra Pradesh State Industrial development Corporation (APSIDC) established by Central Government in 1956.
- Osmania Medical College and Gandhi medical college started at Hyderabad during this plan
- Mineral Development Corporation established by AP government in 1961.
- During this plan number of factories increased from 2985 to 5341
- During this plan number of labourers increased from 1.3 Lack to 1.79 lacks.

### **Third Five Year Plan: (1961-66):**

-

- Third plan proposed out lay was 326.79 C
- Central Government assistance was 220 C
- Actual plan expenditure was 352.42 C
- The main objective of this plan was to reduce income inequalities

### **Different Sector allocation during Second five year plan**

S.No	Sectors	Out lay	Funds allocation
1	Agri & allied sectors	27.04	22.37 C
2	Rural development	27.17	26.06 C
3	Irrigation	106.85	124.49 C
4	Electricity	79.6	93.61 C
5	Industries and minerals	18.68	15.19 C
6	Transport and	14.75	

	Communication		17.00 C
7	Social Services	52.97	53.51 C
8	Others	0.20	0.19 C
8	Total	326.79	352.42 C

### **Progress of plan:**

- During this plan in 1964 Intensive Agriculture District Programme (IADP) Started the Central Government and selected West Godavari district for this programme. And this programme extended to 117 blocs in districts like EG, Krishna, Guntur, Warangal, Karimnagar, and Mahabubnagar
- N.G. Ranga Agricultural University started in 1964
- During this plan medical colleges at Kurnool and Thirupati started.
- During this plan 445 Seed estate started by the Government
- During this plan (1964) Dairy farms started in Hyderabad, Vijayawada, Chittor, and Nellore areas for the development of milk industry.
- Rajahmundry paper mill modernized and developed as Heavy paper industry.
- First time in 1963 total 24 Million dollars financial assistance taken by the state Government from World Bank for the development of power sector.
- During this plan 4, 17,800 hectors additional irrigation facility provided.
- During this plan 77.6MW additional electricity produced.
- In 1964 Ice Factory established in Hyd.

### **Annual Plans: (1966-69):**

- Due to failure of third five year plan central Government stopped five year plan and implemented three annual plans in the central level
- In the State also three annual plans implemented
- Total annual plan proposed outlay was 234 C
- Central Government assistance to the state for annual plan was 123 C
- State share was 111 C
- Actual expenditure during annual also 234 C

### **Progressive of annual plans:**

- Bore well programme introduced to develop the small scale irrigation
- During this period land fertility conservation centers started in Anantapur and Vijayawada.
- During this period Oil refinery technology Research Institution started.
- During this period Industrial Centers at Charlapalli, Jeedimentla and Vijayawada started.
- Bangle factory at Gudur established during this plan
- Women polytechnic college at Guntur started during this period
- Tailoring center at Hyderabad started first time for welfare of the women
- Beken factory at Gannavaram pig meat package established in 1967. And pig development programme also started during this period.
- Additionally 7200 villages provided power supply by 1969.
- During this period cold storage centers started at Nellore and Nagarjuna Sagar.
- In 1968 Andhra Pradesh government started Andhra Pradesh Agriculture Industrial Development Corporation (APAIDC) to use Machine and Equipments separately in agriculture sector.
- In 1968, Panyam Cement factory established at Panyam in Kurnool Districts with cooperation of Andhra Pradesh Industrial Development Corporation (APIDC).
- During this period Regional Mining Corporations established for the development of Minerals at Nellore, Vijayawada, and Visakhapatnam.
- Srisailem Project construction started on March 29, 1968.
- Kothagudem thermal Power project and Eguva selairu hydro project started power generation during this period.
- In 1969 Veterinary Biological Research Institute started in Hyderabad for veterinary
- During 1966-67, first time Tubectomy started to control population at Gannavaram in Krishna district.
- In 1969, Quality Making Center started The government at Sanatnagar Industrial Estate to know the quality of the good
- In 1969, Manjeera drinking water scheme and Drainage development scheme for Hyderabad started.
- During this period additionally irrigation provided for 1, 15, 000 Hectors

### **Fourth Five Year Plan: (1969-74):**

- Total Proposed outlay of this plan is 452.07 C
- Actual Expenditure was 448.87 C
- Central plan assistance was 230 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	30.64	27.43
Rural Development	7.56	0.30
Irrigation	135.56	124.96 (27.84%)
Electricity	185.50	190.58 (42.46%)
Industries Minerals	15.27	14.73
Transport & Communication	15.53	28.92
Social Services	61.71	55.74 (12.42%)
Economic Services	0.30	0.14
General Services		0.07
Others		6.00
Total	452.07	448.87

### **Targets:**

1. Sustainable Economic development, Self sufficient
2. Social Justice, And equality
3. Agri growth arte target was 4%
4. Industrial Growth target rate was 8%
5. GSDP target rate was 5%
6. To control prices by increasing agricultural production
7. Special funds allocation for backward areas
  - Highest fund allocated for Electricity 190.58 (42.46%)
  - 124.96 C allocated for Irrigation (27.84%)
  - 55.74 C funds allocated for Social services (12.42%)
  - During this plan Government appointed Bhargava Committee to study the Telangana related funds.

- According this committee recommendation Special Development fund with 45 C started for the development of Telangana.
- In 1969 Telangana Development Board and Rayalaseema Development Board constituted by the Govt.
- 5:3:2 ration funds distributed for backward development for Telangana, Rayalaseema and Coastal area. Based on 6 points formula.
- 2,53,000 Hectors Additional irrigation facility provided
- Garib Hatao slogan started in the state, which was given by Mrs. Indira Gandhi.
- During this five year plan food grain production increased from 68.91 LT to 86.69 LT.
- During this five year plan in 1969 separate Telangana Movement and in 1972 separate Andhra Movement started.
- During this period Jawaharlal Nehru Technological University (JNTU) started at Hyderabad
- 1969-Small Farmers Development Agency (SFDA)
- 1970-MFAL (Marginal Farmers Agricultural Labour)
- 1973 – Drought Prone Area Programme (DPAP)
- The above three are central government started
- Industrial Backward area development programme, Tribal Area Development programme implemented by state Govt.

**Fifth Five Year Plan:** (1974-79):

Total Plan proposed outlay was 1353.76 C

Actual Expenditure was 1444.71 C

Central Assistance was 351 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	64.08	71.90
Rural Development	22.61	27.42
Irrigation	417.30	456.18 (31%)
Power	517.09	537.18 (37.18%)

Industries Minerals	40.41	51.50
Transport & Communication	108.16	125.66
Social Services	179.02	170.46 (11.8%)
Economic Services	1.39	1.04
General Services	3.70	3.37
Total	1352.76	1444.71

### Targets:

1. Poverty eradication
2. Self reliance and self-sufficient
3. GSDP target growth rate was 5.5%

### Progress if the plan

- Highest Funds allocated for power (37.18%)
- 417 C allocated for Irrigation facility (31%)
- During this five year plan food grain production increased from 86.69 LT to 99.91 LT.
- 2,93,000 Hectors additional irrigation provided
- 5 C Additional funds allocated for the development of Hyderabad and Sec-bad and Hyderabad Urban Development Authority (HUDA) Started.
- Special Funds allocated to complete Nagarjuna Sagar project
- In 1975-76 Hyderabad Central University (HCU) started
- In 1975 total 51 lift irrigation construction started
- In 1976 central Government started National Academy of Agriculture Research and Management started at Hyderabad.
- In 1977 Centre for Cellular and Molecular Biology (CCMB) Laboratory started at Hyderabad and in 1982 this is developed as separate research institute.
- 90 C funds allocated for the development of Telangana
- With cooperation of central Government Sangam Dairy Established near Guntur
- Since July, 1975 20 Points formula implemented in the state
- In 1976 Nagarjuna University near Guntur (Sep), Kakatiya University at Warangal (Nov) started
- P.G centers started at Anantapur, Kurnool and Kadapa.
- In August 1974 Andhra Pradesh State irrigation Corporation started
- In 1977 TV station started at Hyderabad

- For the implementation of Minimum Needs Programmes funds allocated 117 C
- Separate Corporation established for the development of SC, ST, and BCs.
- Per Capita Income increased from Rs.1087 in 1974-75 to 1131 in 1977-78.

**Rolling Plans: (1978-80):**

- In 1978 before one year terminated this plan by Janata Government.
- The proposed outlay of the rolling plans was 899 C
- Actual Expenditure was 897 C
- 1978-79 was 437.35 C
- 1979-80 was 459.65
- Central Assistance was 481 C
- 2,10,000 hectares additional irrigation facilities provided
- 392 MW additional electricity was produced.
- In 1979 Leather Development corporation started
- In 1979 Rs.4, 50, 000 debt taken from the World Bank by government for repair of Dhavaleswaram Project.

**Sixth Five Year Plan: (1980-85):**

- Total plan proposed outlay was 3100 C
- Actual Expenditure was 3237 C
- Central Assistance was 1045 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	123.80	114.56
Rural Development	149.75	182.70
Irrigation	925.29	867.40 (26.78%)
Power	789.70	745.86 (23.04%)
Industries Minerals	105.66	200.88
Transport & Communication	236.00	220.57
Social Services	725.50	883.22 (27.3%)

Economic Services	28.30	4.49
General Services	16.00	17.39
Total	3100.00	3237.00

**Targets:**

- 1.Reduction of Unemployment
- 2.To increase the standard of living of the people
- 3.Population control with cooperation of people

**Progress of the plan:**

- Food grain production increased to 118.82 LT
- First time in the state non- congress government came into power
- IN 1983 In the state 15 points formula implemented for the development of SC, ST and BC in the place of Congress 20 points formulas.
- Additional power production was 120MW
- In 1984-85 first times in the district level District Development planning started and allocated 1 Crore rupees for each district development. This programme was there during in 7<sup>th</sup> five year plan also but later it was not there
- In 1984 pragathi patham programme started
  - 1.Rs.2 per KG
  - 2.Cloths to poor people
  - 3.Mid day Meal for 35 Lack students
  - 4.Removal of bonded Labour
  - 5.Gramodaya Programme
  - 6.Widows pension programme
  - 7.Financial support to women and backward classes
- For Rs.50 power for farmers started.
- In 1984 100 Primary Health Centers (PHC) started in rural areas to improve the health facility.

**Seven five year plan: (1985-90):**

Total proposed outlay was 5560 C

Actual expenditure was 5976C

Central Assistance was 1857 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	284.63	273.17
Rural Development	386.40	504.59
Irrigation	1371.46	1448.79 (24.24%)
Power	1006.83	1028.03 (17.20%)
Industries Minerals	283.23	284.92
Transport & Communication	381.74	609.48
Social Services	1775.57	1736.97 (29.1%)
Economic Services	14.14	17.44
General Services	56.00	72.61
Total	5560	5976

### **Targets:**

1. GSDP Growth target rate was 6.5%
2. Investments increased to develop the infrastructure facility
3. Development of human capital and women development
4. Prices control by increasing food grains
5. to provide employment facility

### **Progress of the plan:**

- in 1986-87 Telugu Gramina Kranti scheme started
- Food grain production increased to 129 LT
- Additional Power production was 669MW
- Single window scheme started
- Telugu Vignana Parithosakam given to 31954 Students
- Per capita income increased from Rs.2461 in 1985-86 to Rs.4262 in 1989-90

### **Annual Plans: (1990-92)**

- Due to political Instability in national level and BOP crisis Five years plans at centre postponed for two years and implemented two annual plans.
- Total Proposed expenditure for two years is 3,127 C
- Actual Expenditure is 3,127 C

- Central Assistance is 1,082 C
- 1990-91 spent Rs.1661.99 C
- During 1990-91 total Food Grain production registered 123.30 LT
- During 1990-91 was 8860 Hectors additional irrigation facility provided
- During 1990-91 period 306 MW additional power produced
- In 1990-91 first time in the state computerization of reservation started in bus station
- During 1990-91 Rs.714 C loan taken from world bank and used for flood effected area in coastal.
- 1991-92 spent Rs.1465 C
- Due to failure of monsoon drought had effected in the state
- Food grain production reduced to 117.5 LT
- Only 35 MW additional power produced during 1991-92.and from the central 45 MW electricity mobilized during 1991-1992.
- During 1991-92 total 22540 hectors additional irrigation facility provided.

**Eighth Five year Plan:** (1992-97)

- Total proposed expenditure is Rs.11845 C
- Actual expenditure was 13606.61 C
- Central Assistance was Rs.3, 549 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	302.2	362.92
Rural Development	733.52	978.05
Irrigation	3324.53	3470.12 (25.50%)
Power	3042.63	3637.01 (26.73%)
Industries Minerals	251.67	540.58
Transport & Communication	1195.33	1684.75
Social Services	2788.38	2548.54 (18.73%)
Economic Services	151.42	325.68
General Services	55.32	58.96
Total	11845.00	13606.61

### **Targets:**

- 1.HRD
- 2.Drinking water facility and health facility for villages
- 3.Control the population
- 4.Provide primary education for all to increase the literacy rate in the state.
- 5.to increase the food grain production

### **Progress of the five year plan:**

- 28.1% (3324.53) funds allocated for irrigation
- 25.7% (3042) funds allocated for power
- 23.5% (2788.38) funds allocated for social services
- 70,600 hectares additional irrigation facility provided
- Food grain production increased to 136 LT
- 1408 MW additional power production
- First time in the state 210 MW power produced in private sector
- December 1, 1996 Yuva Sakti Scheme inaugurated by CM
- 5.5% growth rate was there during this five year plan

### **Ninth Five Year Plan:** (1997-2002)

- Total proposed expenditure was Rs.25743.11 and later it was changed to 29943.51 C
- Actual expenditure was Rs.28572.4 C
- Central assistance was Rs.4509 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	830.34	957.17
Rural Development	1652.44	1357.59
Irrigation	6355.98	5496.95 (19.24%)
Power	3489.65	8382.01(29.34%)
Industries Minerals	519.923	738.66
Transport &	4365.64	3667.23

Communication		
Social Services	6231.20	5958.93 (20.86%)
Economic Services	2081.86	1801.20
General Services	216.07	212.66
Total	25743.103	28572.4

### Targets:

- GSDP Target growth rate was 6.5%
- House construction and drinking water
- PHC centers
- Primary education and to provide nutrition food
- To improve the PDS
- In first four years growth rate was 5.5%
- And last year growth rate was 6.01%
- During this plan over all growth rate was 5.7%
- Food grain production was 148 LT
- 2.3 Lacks Hectors additional irrigation facility provided
- In 1997 June Water User Association (WUA) started
- Water shed management started in December 1997
- In January, 1998 Clean and Green Programme
- In 1998 "Mundadugu" programme introduced for the development of SC
- In 1998 "Adarana" programme introduced for the development of Backward classes
- In 1998 "Cheyutha" Programme for the welfare of handicapped
- In 1999 "Chaitanyam " programme to provide employment for tribes
- In 1999 "Roshni" programme for development of minorities
- In December 2, 1999, "Deepam" Programme for the below poverty people to give a gas connection with low prices.
- May 1, 2000 "Neeru-Meeru" programme introduced to preserve the water and to increase ground water.
- Special area development programme started during this five year plan
- In 1998 "Janmabhoomi" Programme started for the over all development of villages. This concept taken from the South Korea

**Tenth five year plan:** (2002-07):

- Total proposed expenditure first it was Rs.46164 C and later it was changed to 69511 C
- Actual expenditure was Rs.62176.83 C
- Central Assistance was Rs.6132 C

Sector	Outlay	Actual Expenditure
Agriculture & Allied	2817.22	2559.53
Rural Development	4102.72	4476.14
Irrigation	25633.45	22169.80 (36.14%)
Power	8166.73	7456.40 (11.82%)
Industries Minerals	1933.20	1297.73
Transport & Communication	4988.11	5058.59
Social Services	18449.12	16125.23 (26.52%)
Economic Services	2340.50	932.56
General Services	1080.61	399.83
Others	--	1701.19
Total	69511	62177

**Different year outlay and expenditure in 10<sup>th</sup> five year plan**

Year	Outlay	Actual expenditure
2002-03	10100	8315
2003-04	10970	10759
2004-05	12790	11457
2005-06	15651	13439
2006-07	20000	18207
Total	69511	62177

**Targets:**

- Growth rate target was 6.8% and actual growth rate was 8.33%
- Primary education for all by 2010

- To reduce income inequality
- Industrial target growth rate was 8% and actual growth rate was 11.49%.
- Irrigation facility

### **Progress of this plan:**

- More funds allocated for irrigation, social services, Power sectors
- Haritandra Pradesh is the main objective
- 37 Major irrigation and 17 Minor irrigation projects started and total 72, 406 C funds allocated for these 54 (37+17) projects.
- By 2007, Janjavathi, pedderu, peddagadda, and surapalem projects completed
- This plan growth rate was 7.42%
- In first four years this growth rate was 6.72% Last year growth rate was 9.01%
- Food grain production was 169.5 LT
- 1906 mw additional power production
- Due to Jalayagnam 3,20,000 hectores additional irrigation provided
- Primary sector growth rate was 5.48% but agriculture sector contribution is 4.68%
- Secondary sector growth rate was 8.37% but industrial sector growth rate was 11.89%
- Services sector growth rate was 8.86%
- Per capita income registered Rs.24, 234 it was Rs.15585 in 9<sup>th</sup> during plan.

### **Eleventh five year plan: (2007-2012):**

- Total proposed expenditure was Rs.1,47, 395 C
- This three time is more than the 10<sup>th</sup> five year plan
- UP is first place and AP is second place (UP is 1, 81,094 C)
  - 1.Agriculture 7377
  - 2.Irrigation 34,417
  - 3.Rural Development 14520
  - 4.Power 22,582
  - 5.Industries 5233
  - 6.Transport & Communication 12629
  - 7.Social Services 43,111
  - 8.Economic & General services 7526
  - 9.Total 147395

## Targets:

1. GDP growth rate was 9%
2. Agriculture Target 4.5%
3. Industrial Target 9.5%
4. Services Target 11%
5. Power sector target growth 12%
6. Agriculture is identified as key sector
7. Employment in Agri in every year 6%
8. Unemployment rate has to reduce from 11% to 5% by 2012
9. Broadband connectivity to all villages by 2011-2012
10. PCI will be double by 2016-17
11. 12 Lacks Hectors additional irrigation in every year
12. Birth Fertility has reduced from 21. to 1.8
13. Literacy rate has to increase to 80%

More funds allocated for Social sector 30% (43111)

1. Education 6061
2. House construction 5895
3. Drinking water & Clean and green 5778
4. Health and hospital 4206
5. Urban Development 5332
6. Others 15839

Second highest is for irrigation 23% (34417)

Third highest funds for power 15.32% (22582)

Planning Commission has identified 13 monitorable targets for states during the 11<sup>th</sup> Five Year plan.

Priorities and Challenges during the 11<sup>th</sup> five year plan in Andhra Pradesh is

- Irrigation and soil water management through Jalayagnam
- Agriculture Renaissance
- Animal Husbandry and fisheries
- Power generation
- Education development.

### **11<sup>th</sup> Plan Annual plan for 2007-08:**

Total funds for 2007-08 annual plan is first it was 30, 035.21 C but later it was changed to 30, 500 C, but actual expenditure is 27,170.80 C

Out of this 4, 600 assisted by central

44.96% funds allocated for irrigation

30.03% of funds allocated for social services

10.23% funds allocated for house construction in the state.

Food grain production in 2007-08 was 198.17 LT.

### **2008-09 Annual plan:**

2008-09 annual plan outlay is 44000 C

Actual expenditure is 31, 048.19 C

Central assistance was 5, 346 C

38.82% funds allocated for social services.

32.27% funds allocated for irrigation

13.13% funds allocated for house construction in the state.

Total food grain production in 2008-09 is 204.04 LT.

Two years in 11<sup>th</sup> Five Year Plan growth rate economy was 8.08%, where as in India's two years annual plan growth rate was 7.85%

In two years in Andhra Pradesh different sectors growth rate will be in like in the following.

Agriculture sector growth rate is 5%.

Industrial sector growth rate is 10%.

Services sector growth rate is 11%.

GSDP growth rate is 9.5%.

According Directorate of Economics and statistics AP Growth rate is in different years are follows

1. During 1960-1983 3.23%
2. During 1983-1989 5.25%
3. During 1989-1995 4.75%
4. During 1995-2004 5.72%
5. During 2004-2008 7.5%

**SREE MEDIA & COMMUNICATIONS**

## Unit -3

### Land Reforms

14-06-08 is in First notes

16-06-08

- After independence LR are implemented in India based on the Komarappa committee.

#### Land Reforms in Telangana:

- After police action on Hyderabad state, Major General Chowdhary has taken the charge to administration of Hyderabad state.
- And established "Hyderabad Agricultural Reforms Committee" to provide relief for farmers and tenants. And gave some suggestions in 1949 to make the land reforms Acts in the future.
- According to this committee recommendation government made abolition of Jagir system and regulation Act.
- According to this Act Jagir land and later Surpkehahas land transformed into Rytwari land.
- In 14<sup>th</sup> September, 1949 government made another Jagirdari Act. According to this act big Jagirdari land occupied within three days (From 18<sup>th</sup> to 20<sup>th</sup> September 1949) and small Jagirdari land occupied within 10 days (from 20<sup>th</sup> to 29<sup>th</sup> September 1949).
- Temporary allowances provided for Jagirdari, which are removed between October, 1949 and March, 1950.
- In January 25, 1950, Hyderabad Jagirdari Act made to pay the compensation for Jagirdari. And amended this act in October 18, 1950. But this Act is not applicable to Inamdars.
- According to this amended (Oct 18, 1950) act the compensated decided 18 C to in different phases and this amount decided based on the past 10 years income.
- Total compensation paid by Government is 23.97 C by the end of July 1990.
- Total 7,866 villages and 975 Jagirdari abolished.
- In 1955 Government made Abolition of Inamdri Act.
- According to this act, except serviced based Inams and Religion Charitable Inams all Inams can be abolished.
- But because of some legal problems this act did not implemented.

- Again in 1967 government made Abolition of Inamdari Act to abolish all type of Inamdari land. But before implemented it in March 1970 it was abandoned (cancelled) by High Court.
- Again in 1985 with special Act Inamdari system Abandoned by Government (N.T. Ramarao).

### **Tenets Protection Reform Act IN Telangana:**

- Government made some Acts to protect the tenets from Absentee Landlords and Non-Cultivated Owners.
- According Hyderabad Agricultural Reforms committee, government made Agricultural Land and Tenets Reforms Act in June 10, 1950 and this act amended in 1951. According this act.
  1. Those who were tenants 6 years between 1933 – 1943 and those who are tenets 6 years since 1948 provided security for them and they can convert into Shakmidars or and provided occupancy tenets to them.
  2. As long as they are paying taxes they cannot be removed
  3. Tenets during his period can mortgage his land in Government and land development banks (Tanaka Banks).
  4. Land lord cannot take any extra tax in terms of Labour or gift.
- **Hyderabad Prevention of ejection Act:**
- After general elections in 1952 in the center, the land lords believed that they may be some acts will comes related land.
- So the land lords removed so many tenets during this period.
- To provide land for “bedekhal” (those who are removed) and to determine the rent Hyderabad Prevention of ejection Act made by the Govt.
- This act implemented in some areas in Khammam and Warangal districts in 1955.
- After August 15, 1968 this act implemented in all districts of Telangana.
  1. Rent determined for Delta land was 1/3 of production and upland land was ¼ of production
  2. To remove the tenets the land lord must be explains some causes.
  3. Land lord can be removed by giving family holding to that person.
  4. Land lord can sell this land to any person if the tenets will not accept to buy.

- According 1950 Agricultural Land and Tenets Reforms Act total 75 lacks acres (33% of cultivated land) of land distributed tenets security certificates for 6 lacks tenets.

### **Land Reforms in Andhra:**

- The bill which was prepared by Prakasam discussed in assembly in 1938. Again this bill was come for discussion in 1946. And introduced this bill in assembly in 1948 by Revenue minister (Kala. Venkata Rao)
- Madras Estate Bill accepts by Assembly on April 19, 1949. It was implemented since 1950 after the assent of president.
- According this act Zamindari system was abolished.
- According this act government taken the lands, Forests, Mines and Minerals, which were under the control of Zamindars.
- This act also provided to get the compensation for their land, which was taken by the Govt.
- The compensation was around 25, 000 to 15 lacks based on their annual income.
- Total 15.5 C paid as compensation by 1985.
- According 1956 Act Inams land also taken by the Government
- Total 11,126 Inams estates taken by the government and distributed the pattas to 20.25 lacks farmers.

### **Tenets Act in Andhra area:**

- In 1949 Madras government made Andhra area tenets and farmers protection act. This act provided temporary rights for tenets and farmers.
- In October 30, 1955 Lakkaraju. Subha Rao committee submitted its report with some recommendations.
- According this committee recommendation in 1956 government made Tenets reform act.
- This act included only regulation of rent and security of tenure.
- According this act tent fixed 30% for irrigated land. And 25% for un irrigated land.
- And taxes related land should be paid by land owner.
- Occupancy rights provided for tenets.
- Forcible cannot be removed the tenets by land owner and rent should not crossed the mentioned in this act.

### **Ceilings on land holding:**

- Hyderabad Agricultural Reforms committee suggested to impose ceilings on land holding in Telangana area.
  1. Economic holding decided based the income of the farmer. Monthly income was Rs.150 but if it was Rs.1800 per year.
  - 2.2 Acers was Delta land and 15 acres was upland decided for minimum economic holding.
  - 3.5 times more than the economic holding decided maximum holding.
- When this was implemented in Khammam district in 1955, the land lords went to court and they brought the stay.
- But after the formation of Andhra Pradesh in 1958 the bill introduced based on the Rs.5300 net income per acre.
- But this was criticized and finally based on the central govt suggestions this net income was reduced to Rs.3600 in 1961.

### **1961 Land ceiling act:**

- According this act land ceiling determined between 27 acre and 324 acres based on the type of soil.
- But this is exempted for temples land, sugar cane crops land and fruits cropping lands. (Challapalli Zamindari land exempted around 3500 acres of land under sugar industry)
- Government identified the surplus land was 27000 (4305 A + 22995 T) acres of land by introducing this act. (But government expected 30 lacks of acres land.)
- But occupied only 2384 acres of land (1498 + 886) after paying 14 lacks as a compensation
- One person taken as one unit.

### **Land reforms implemented enquiry committee**

- Indian Government and Indian planning commission appointed many committees to enquiry the implementation of the land reforms in India.
  1. In 1955 Panel on Land reforms: this was appointed by planning commission under the chairman ship of Guljarilal Nanda.

2. 1958 Panel of reforms
3. Panel of reforms 1960
4. land reforms implementation committee in 1963-64
5. In 1966 planning commission surveyed the progress of land reforms and this survey was told that 80% failure in implementation of land reforms in Andhra Pradesh.
6. In 1973 planning commission appointed P.S. Appu committee this committee also told that In Andhra Pradesh land reforms act failure.

### **Bhudana Movement:**

- After 1945 struggle between Rajakars and communists started.
- To reduce this struggle Vinoba Bhave, the follower of Gandhi started peace meeting in villages.
- In April 18, 1951 peace meeting was held in Pochampalli village of Nalgonda District.
- In this meeting the Harijans asked the land to develop their economy.
- Immediately V. Ramachandra Reddy gave 100 acres of land to them
- Since here Bhudana movement started.
- Vinoba Bhave wandered around the country by walk to procure 5 cores acres of land but he procured the 42.7 acres of land by 1967 and distributed 12 lacks acres of land.
- According planning commission 42 lacks acres of land procured by 1985 but only 13 lacks acres of land redistributed. i.e. is only around 30%.
- In Andhra Pradesh total 2.4 lacks acres of land procured from Bhudana movement but only 1 lacks acres of land redistributed.

### **II Phase land reforms: After 1972:**

#### **Causes for II phase Land reforms:**

1. Green Revolution Causes
2. Political Causes
  - 1948 Komarappa committee also brought revolutionary changes
  - In 1952 and 1957 elections to reduce communist impact many acts made by government regarding land reforms.
  - 192 war with China

- 1965 war with Pakistan
- 1964 Jawaharlal Death
- 1966 Lal Bahadur Satri Death and devaluation of rupee
- 1964 split in Communist
- Because of the above causes people diverted their attention from land reforms.
- Because of internal conflict in congress in 1967 many state non-congress ministers entered into the govt.
- In 1969 elections many states non- congress party won the elections
- In 1969 and 1970 chief ministers meetings PM told that to survive our selves we must be implement the land reforms.

In AP Congress strategy.

3.The representation of higher casts and land lords reduced in congress.

- Before 1972 95% ministers were higher casts mainly Reddy, Kamma and velama
- In 1971 PM direction other casts people joined in ministers.
- 1973 PV Narasimha Rao was CM

5.Communist movements

- In 1962 in Hyderabad they gathered to abolish the additional tax.
- In 1963 in Delhi farmers strike.
- In 1967 under the CPI (M) 50,000 farmers gathered as cooly Dandu
- In 1969 and 1970 land movements by communists
- In 1972 communists started to fallow the land reforms day on June 1 first phase
- In second phase on July 26, total 1 lack farmers gathered in Hyderabad. Even congress volunteers also attended for this gathering.
- In third phase started on October 3 – 5.

6.Naxalism:

- Started in 1967 in West Bengal

- This movement entered into first into Srikakulam district and later Karimnagar, Adilabad, Warangal, Khammam and West Godavari districts.

Because of all these things second time Land Reforms started in Andhra Pradesh since 1972 onwards.

**Land Ceiling Act-1973:** Andhra Pradesh Land Reforms Act:

- In 1972, Assembly and Legislative Council passed the Land ceiling bill.
- In January 1, 1973, this bill assent by the president.
- In 1974, this act included in the 9<sup>th</sup> scheduled of the constitution.
- According to 34 constitutional amendments this is exempted from the judicial review.
- This came into force since January 1, 1975.
- Each family or unit can have standard holding
- According this act each unit or family should not cross the **standard holding**.
- According this act and section 4 total 5 members are called unit
- This act classified total 6 types of delta land and 5 types of upland land.
- This Act determined the land ceiling on land holding for delta land like the following.

Land ceiling of delta:

Types of land	Two crops land	Single crops land
Class-A	10 Acres	15 Acres
Class-B	12 Acres	18 Acres
Class-C	13.5 Acres	20 Acres
Class-D	15 Acres	22.6 Acres
Class-E	16.5 Acres	24 Acres
Class-F	18 Acres	27 Acres

- This Act determined the land ceiling on land holding for upland like the following

### **Land ceiling of upland:**

Class-G 35 Acres

Class-H 40 Acres

Class-I 45 Acres

Class-J 50 Acres

Class-K 54 Acres

- If the unit members crossed 5, some extra land provided this act
- The each and every additional members the unit can have 1/5<sup>th</sup> part of standard land holding.
- But this should not cross the double of the standard of land holding.
- But people the land on benami names
- To reduce this problem government made many provisions
  - 1.abolished the land which was sell, gift, adaptation Between 24-01-1971 to 1-1-1975
  - 2.Land should be considered as agricultural land that was converted the agriculture land into non-agriculture land before 5 years to 1-1-1975.
  - 3.If one person took the divorce, the wife and husband not considered as two units, they will considered as one unit only.
- Total 75 lacks acres of land taken by the government by implementing this act.

### **Urban land Ceiling Act: 1976:**

- Industrial development, urbanization, more employment opportunities in urban area, educational facilities are there in towns and cities.
- Because of the above reasons land lords, rich farmers and agricultural farmers were migrated from village to urban areas and settling in urban areas.
- To reduce this migration state government planned to make the urban ceiling act.
- But this will come under the central list.

- According 252 (1) article of the constitution two or more states can ask the central government to make the urban ceiling act.

According this provision AP, Gujarat, Punjab, Haryana, UP, Tripura, WB, Karnataka and Maharastra passed the resolution to make urban ceiling act. And these states asked the central government to make the urban ceiling act.

- According this act major Municipalities, Minor Municipalities and Municipal Corporation will considered as Towns.
- Out skirts of these towns is called Agglomeration.
- A- category town a person can have 500 Sq. Meters of land
- B- category town a person can have 1000 Sq. Meters of land
- C- category town a person can have 1500 Sq. Meters of land
- D- category town a person can have 2000 Sq. Meters of land
- But one person can have land in different category areas.

#### **AP Assigned land Act 1977: (abolition of land transfer act):**

- To provide land for urban poor this act made by the govt.
- According this act poor peoples means, those having 2.5 acres of delta land and 5 acres of upland and if they completely depends on agriculture sector are considered as poor people.
- According this act if the government distribute the agriculture land and living place these people should not transfer the land to others.
- This act amended in 2007.
- According this act government may keep this land for the development of industries and other purposes.

Land distribution:

- November 1, 1968 State government distributed 20,000 acres of land for landless poor peoples.
- In 1992 in assembly introduced that there was total 37.9 lacks acres of land is surplus land
- But only 19.13 lacks acres of land distributed
- 6, 84, 000 peoples got benefited
- 14.7% SC
- 6.08% ST
- 17.8% BC

- State government distributed total 52.03 lacks acres for 31.02 lacks peoples by the end of March 2004.

**Present state Govt distribution:**

- The main objective of the land distribution during Rajashekhar Reddy Govt.
  - 1.Land registration should be on the name of women
  - 2.For the women empowerment
  - 3.To identified the biggest land distribution scheme
  - 4.To distribute the 50% of land for SCs and STs.
  - 5.Beneficiaries should be selected by the special legislative members committee.
  - 6.To distribute land 2.5 acres in delta area and 5 acres in upland.
- Y.S.Rajashekhar Reddy government distributed land in four phases.

**First Phase:**

- In first phase record land more than 1 lacks land distributed in same day i.e. on January 26, 2005.
- This was distribution started at Kodangal village of Mahabubnagar districts.
- Total 1, 55, 217.47 acres land distributed.
- Total 1, 12, 290 beneficiaries got the land
- Among them 36, 182 are SCs
- 25, 360 are STs
- 36,068 are BCs
- 1568 minorities
- 13, 112 are others
- Highest land distributed in Nellore district with 23, 242.15 Acres.
- Followed by Vizag with 19, 910 acres.
- And followed by Adilabad district with 15, 275.71 acres.
- Lowest distributed in Ranga Reddy district with 1845.08 acres.
- Nothing distributed in Hyderabad district.

### **Second Phase:**

- In second phase land distributed by Rajashekhar Reddy government during August 21, 2005 to August 23, 2005.
- Second phase land distribution started at Byatol in Medak district and started by Prime Minister.
- Total land distributed was 1, 68, 081.84 acres.
- Total 1, 06, 770 peoples got the benefit.
- Among them 33, 966 are SCs
- 22, 399 are STs
- 31, 976 are BCs
- 1053 are Minorities
- 17,376 are others
- Highest land distributed in Medak district with 25404.21 acres
- Followed by Srikakulam District with 17, 102.78 acres
- Followed by Vizag with 16, 600 acres.
- Nothing distributed in Hyderabad
- Lowest distributed in EG with 2714.57 acres.
- Lowest distributed in Ranga Reddy district with 3485 acres

### **Third Phase**

- In third phase Rajashekhar Reddy government started on November 19, 2006
- Third phase land distribution started at Nallamada of Anantapur district.
- Total 1, 11, 380 acres of land distributed
- Total 73, 550 peoples got benefit.
- Among the 21, 917 are SCs
- 16, 127 are STs
- 26, 554 are BCs
- 1129 ARE Minorities
- 7823 are Others
- Highest land distributed in Anantapur district
- Followed by Chittoor with 8050.37 acres
- Followed by Kadapa with 6902.47 acres
- Lowest land distributed in Ranga Reddy district with 594.95 acres
- Followed by Krishna with 1947.39 acres.
- Nothing distributed in Hyderabad.

### **Fourth Phase**

- It was started by government on January 19 to January 25 of 2008.
- This was started at Tirupati.
- Total land was distributed was 1, 66, 789 acres
- Total 1, 19, 038 peoples got benefited
- 50% benefits got by SCs and STs.
- Highest land distributed in Vizag district with 31, 054 acres
- Followed by Anantapur with 16, 067 acres
- Followed by Chittoor with 12, 236 acres
- Nothing distributed in Hyderabad district
- Lowest distributed in Ranga Reddy with 1435 acres
- Followed by Karimnagar with 2788 acres.

### **Final**

Finally total 6, 01, 469.17 acres land distributed by Rajashekhar Reddy government during 31/2 years rule.

- Total 4, 11, 648 peoples got benefited.

### **Koneru Ranga Rao Recommendations**

- Land Reforms Committee on December 1, 2004 appointed by Government under chairmanship of Koneru Ranga Rao.
- According G.O. 977 this committee is appointed.
- Total 8 committee members.
- In 2006 this committee submitted its report to the govt.
- Total 104 recommendations made by this committee.
- Among them
  - 1.About the government land total 12 recommendation
  - 2.About the rights 9.
  - 3.About the rent 2
  - 4.About the Land Reforms 15
  - 5.The prices paid to the government to get the right are 2
  - 6.Land records 3
  - 7.Endowment (temple) land 4
  - 8.Problems related tribal land 41
  - 9.Land litigations 7
  10. Training for revenue officials to educate about the poor. 1
  11. To bring the to poor 4, Others 4

## Unit – 4

### INDUSTRIES AND SERVICE SECTOR

#### Industries in AP

##### Factories

- In AP after agriculture sector this sector is playing main role in the economy
- But AP is not developed industrially even though there is availability of resources

##### Industrial sector contribution to GSDP

Year	Registered industries	Unregistered industries	Total
1960-61	2.8%	4.4%	7.2%
1970-71	4.4%	4.7%	9.1%
1980-81	5.8%	5.4%	11.2
1990-91	7.5%	4.1%	11.6%
2006-07	9.0%	3.51%	12.51%

- In 1948 Central Government made a Factory act for Andhra Pradesh and this act changed as Andhra Pradesh act in 1956 after the formation AP. The main objective of this factory act was to provide security and welfare of the labourers.
- According to this Factory Act Factory Means
  1. Goods must be produced in production sector
  2. More than 10 labourers must be employed, if that factor uses the electricity to produce goods
  3. More than 20 labourers must be employed, if that factor not uses the electricity to produce goods
- But 1948 Factory Act not classified industries into Small, Medium and Large scale industries.

- There are 2385 Factories are there in the state in 1956
- Its increased to 14,029 in 2000-01, 14,237 in 2001-02, 14, 635 in 2002-2003 and 14, 802 in 2003-04
- There are 15, 516 Factories in AP in 2004-05
- And getting employment from these factories are

1.it were 907054 in 2000-01

2.it were 897722 in 2001-02

3.1007465 in 2002-03

4.864112 in 2003-04.

5.9, 32, 039 in 2004-05

- In 2003-04 more number of factories are there in Ranga Reddy districts
- In 2004-05

S.No	Districts	Number of factories
1	Guntur (FH)	2033
2	Ranga Reddy (SH)	1957
3	Kadapa (SL)	236
4	Adilabad(FL)	206

- According factory Act total factories classified into 25.
- The important are 5
  - 1.Food Grain production 6402
  - 2.Mineral based factories 2514
  - 3.Chemical Factories 859
  - 4.Agro based industries 815
  - 5.Rubber and Plastic Factories 668
- Central Govt prepared and released industrial production index in every 5 years.
- The base year to prepare industrial production index is 1993-94.
- According central industrial statistics, during 2000 to 2005 highest growth rate occurred in Power sector
- According state Govt report during 2006-07 highest growth rates occurred in Soft Ware industries and second place is Power sector.

## **Micro, Small Scale and Medium scale industries**

- Central Govt made a “Micro, Small and Medium Enterprises Development Act (MSMEDA)” in 2006.
- According this Act industry divided into 4 categories based on the investment.
  1. Micro industries (Tiny Industries): In production sector the maximum investment on machines is 25 lacks and in services sector investment on equipments is determined 10 lacks.
  2. Small Scale Industries: In production sector the investment on machines is Between 25 lacks to 5 Cores and in services sector investment on equipments is between 10 lacks 2 Cores..
  3. Medium Scale Industries: In production sector the investment on machines is Between 5 cores to 10 Cores and in services sector investment on equipments is between 2 Cores to 5 cores...
  4. Large scale industries: In production sector the investment on machines is more than 10 Cores and in services sector investment on equipments is more than the 5 Cores.
- Mega Industries (Mega Projects): According Mega project if investment crossed the 100 Cores is called Mega project. This concept is given by the state Govt. in the state HITECH CITY is the first mega project.

### **Small Scale Industries:**

- In case of production small scale industries position is the 6<sup>th</sup> place in the country after Maharastra (1), UP (2), Punjab (3), Haryana (4) TN (5).
- In case of number wise AP is 3<sup>rd</sup> position in the country, after UP (1). Maharastra (2).
- Total Export value in India is around 45% to 50%
- Total Export value in AP is 35% to 40%
- In AP after agriculture SSI is providing more employment
- According Govt Estimation in AP Total number of SSI are around 3.5 Lacks and getting employment around 22 lacks.

Number of registered industries in AP in different years

Year	Units	Employment
Upto 1976	11888	47067
176-77	2242	26904
1980-81	3485	41820
1990-91	7358	56565
2000-01	2124	25433
2004-05	1632	24076
2005-06	1267	15832
2006-07	838	10511
Upto September 2007	2277	39701

The SSI is

- Telangana 48.6%
- Coastal Area 38.9%
- Rayalaseema 12.5%
- Most of the SSI are there in agro and food processing sectors

### **Problems of SSI:**

AP economy is agrarian economy. In AP agro based industries are developed. But other industries are developed much. Many problems are existed for not developed industries. These problems divided into two. These are

#### 1. Institutional Problems

- Lack Of infrastructure facilities: Due to lack of infrastructure facilities in AP industrial sector not developed. According CMIE (Center for Monitoring Indian Economy) estimation in case of infrastructure development index AP (96.1) is very low than the Karnataka (96.9) and Tamilanadu (144) in 2000.
- Lack of Resources: raw material and other resources are not available according necessary.
- Market prices determination
- Lack of Technology to explore the minerals

- Financial Problems or lack of credit facilities
  - Lack of training facilities
  - Lack of market
2. Non - Institutional problems

- Govt negligence and Govt policies
- Public sector sickness
- Private sector sickness
- Defect in educational system
- Restriction based loans

**Sick industries:**

- Industrial sickness can be caused due to increases power charges, taxes and after 1991 private sector important increased.
- In 2004 according Central Govt report in case of Industrial sickness UP is the 1<sup>st</sup> place and AP is the second place.
- In 2006 AP govt introduced "AP Small Scale Industries Revival and Rehabilitation Scheme" new scheme to reconstruction of SSI. This scheme is providing some facilities like

1. Sale tax exempted for 3 years
2. Reduction of penalty on Electricity charges
3. Solution for disputes by Labour department, which are arises between owners and labourers
4. 6% subsidy on interest rate of banks loans.
5. Special fund with 50 C , CM as a chairman APSSSIRR (Andhra Pradesh Small Scale Sick Industrial Revival and Rehabilitation) to supervise this Scheme.

**strengths of SSI:**

1. SSI are providing more employment
2. Decentralization of industries
3. Migration can be controlled
4. We can reduce Disguised Unemployment
5. SSI can utilities local resources with efficiently
6. Rural areas can develop
7. Infrastructure can develop
8. Regional Disparities can be reduced

9. Labour and Management relations
10. Income inequalities and economic inequalities can reduce the SSI
11. We can develop the back ward areas with SSI
12. Contribution of Export can increase
13. SSI can supply raw material to large scale and medium scale industries
14. With low capital SSI can establish
15. Easy transportation

### **Weakness of SSI:**

- In 2005, AP Govt surveyed the weakness of SSI in AP with Administration Staff College of India (1954)
- According ASCI survey the causes for Small Scale Sick industries are

1. Lack of infrastructure facilities
2. Use of the old machines, due to this more consumption of raw material but production is reducing.
3. High rate of taxes, when compare Maharashtra and Tamilanadu.
4. Inflexible Labour acts
5. High rate of interest
6. Lack of market for the SSI productions
7. Defects in Entrepreneurs Managements.
8. Disputes between Labours ad managements.
9. The failures of District industrial corporations and Govt Programmes

- According Central Govt reporting 2004 there are 3 causes in AP for Small Scale Sick industries.

1. Economic causes (35%)
2. Disputes between Labours ad managements (14%)
3. Lack of market for the SSI productions (12%)

### **Govt Measures to develop the SSI:**

- In 1956 APSFC established to provide credit to SSI
- In 1960 Department of Industries started by State Govt and taken some measure to improve the SSI

- In 1977 Central Govt started District Industrial Centers and AP Govt started in 1978 in all Districts.
- AP govt announced industrial resolution policy on May 8, 1992. This policy implemented till 1997.
- This is first AP Industrial resolution policy and this was given more important for IT and Pharmacy industry.
- In 1995 Second industrial resolution policy announced by AP govt
- This policy was given more important for IT, Pharmacy companies and Biotechnology.

The main objectives of Industrial Resolution Policy of 1992-97 were

- 1.To develop the infrastructure facilities
- 2.To maintain international quality of production
- 3.The use of Modern Machines and technology and 8% subsidy for this machines buys.
- 4.100% stamp duty exemption for Small Scale Industrial lands
- 5.To continue Industrial encouragement and promotions for five years
- 6.The reduction sales taxes for Bulk productions sales and buys.
- 7.In 2000 Industrial Infrastructure Development Fund (IIDF) started by State Govt to develop the SSI in rural areas.
- 8.In 2002 state Govt started Single Window Act to give permission in single place to establish industry.
- 9.To start Electronic Park at Hyderabad with private companies cooperation

In 2005 policy also Govt announced some subsidies on SSI

- In 1958 APSSIDC (Andhra Pradesh Small Scale Industries Development Corporation) started and provided credit to SSI. But in 2005 it was closed and renamed as APSSSIRRS (Andhra Pradesh Small Scale Sick Industrial Revival and Rehabilitation Scheme) and Started rehabilitation fund and provided 50 C credit to SSI
- In 2005, Govt started Cluster area Development Programme. In our states 5 Cluster areas there.

- 1.Drugs industry at Hyd
- 2.Auto Components at Vijayawada
- 3.Fish exports at Bhimavaram
- 4.Leather products at Hyderabad
- 5.Engineering goods at Ranga Reddy

- Growth Centers started by Central Govt in 2006 to develop the industries in district level. Through APIIC in our state 4 Growth centers started at Bobbili, Ongole, Hindupur and Jedcharla.
- In 2006 started Industrial Infrastructure Development Centers (IIDC) by Central Govt to develop the agro - based industries. Through APIIC in our state at 4 places started IIDC near Nadhyala, Tada (Nellore), Nagari (Chittoor), Madigonda (Warangal) and two IIDC for women started at Vijayawada and Gajula Ramaaram in Raga Reddy.

**The main PSU in AP:**

- Central govt Established many PSU in the state.

1<sup>st</sup> PALN:

- Sindhia Navigation limited nationalized and named as Hindustan shipyard Company in 1952 at Vizag
- Bharath Electronics Limited in 1954 at Hyderabad to produce defense equipments and in 1987 second unit started at Machilpatnam in Krishna Districts.

2<sup>nd</sup> PLAN:

- NMDC IN 1954 at Hyderabad to explore the minerals
- PRAGA Tools in 1959 at Hyd to produce defense equipments and equipments for heavy industries with cooperation of Japan and France but in 2002 this is identified as Sick industries and closed
- Hindustan Zink Limited in 1960 at Vizag with cooperation of Poland, Norway & Germany.
- National Building Construction Corporation in 1960 at HYD

3<sup>rd</sup> five year plan:

- Indian Drugs and Pharmaceutical Limited (IDPL) in 1962 at Hyd to produce drugs and research. But in 2005 this is identified as sick industries and closed
- BHEL in 1963 at Hyd

- Cement Corporation of India (CCIL) in 1964 at Yarragutla and Adilabad
- HAL (Hindustan Aeronautical Limited ) in 1965 at Hyd to aircrafts
- Modern Food Industries in 1965 at Hyderabad but now it was closed.
- Bharath Heavy Plastics and Vassals in 1966 at Vizag to produce

Annual PLANS (1966-69):

- Electronics Corporation of India (ECIL) in 1967 at Hyd to produce electronics goods TV, Computer first produced and present Voting machines producing in ECIL.
- Hindustan Machine Tools (HMT) in 1967 at Hyd with cooperation of Swidjarland to produce Watches and Tractors and equipments for heavy industries.
- Rural Electrification Corporation (REC) in 1969 at Hyd

4<sup>th</sup> five year Plan: (1969-74)

- Bharath Dynamics Limited (BDL) in 1970 at Hyd with cooperation of USSR to produce missals
- Hindustan Cable Limited (HCL) in 1973 at Hyd to produce optical fiber and cables

5<sup>th</sup> five year Plan: (1974-79)

- Misrama Dhatuva Nigam Limited (MIDHANI) in 1975 at Hyd with cooperation of Germany and France to produce alloy
- National Thermal Power Corporation (NTPC) in 1975 and it started unit at Ramagundam.
- Computer Maintance Corporation (CMC) IN 1975 AT Hyd in 2006 CMC IS brought BY Tata Consultancy.
- Dredging Corporation of India in 1976. This head quarter is in Hyd and regional office is in Vizag

6<sup>th</sup> Five year Plan: (1980-85)

- Southern Pesticides Limited in 1980 at Kovvur in WG to produce pesticides with the Central and state Govt Partnership.
- Sponge Iron Plant in 1980 at Palvancha in Khammam district with cooperation of United Nations Industrial Development Corporation (UNIDO)

7<sup>th</sup> five year plan: (1985-90)

- Fertilizer Corporation of India in 1986 at Ramagundam to produce fertilizers.

### **State Level Public Enterprises:**

- Total 40 PSE are there up to 2000.
- After 2001 in the part of reforms some of PSE are closed and at the time of October 2007, there are total 29 SLPE are there
- In 2005-06 Nizam Sugar Factory is closed.
- To develop the SLPE, some important industrial corporations started
  1. APSFC on November 1, 1956 according 1951 state finance corporation (1951 –Andhra SFC and 1951- Hyderabad SFC merged and started APSFC)
  2. APIDC IN December 16, 1960 even private companies also having share in this corporation
  3. APIICL (AP Industrial Infrastructure Corporation Limited) ON September 1, 1973. In 1998 Hi-tech City constructed with the partnership of APIICL and L&T
  4. According 1957 Ware housing Corporation act of Central Govt on August 1, 1958 AP Warehousing Corporation started to store the food grains. In the state total 8 Regional offices are there (out of 29 SLPE only APWHC, APSFC and APSRTC are Govt Corporations and established a special act) and remaining 26 SLPE are established according company act
  5. AP Seed Development limited (APSDL) on March 1, 1976. total 19 regional offices are there
  6. AP Minerals Development Corporation Limited on Feb 12, 1961 this having 5 projects 1) Mangampeta Barites, 2) Balkley project at Dwarka Thirumala in WG 3) Lime Stone Project at Piduguralla in Guntur district. 4) Lime Stone Project at Devapur in Adilabad 5) Block Granite Project at Chowtipalli in Warangal and Venkatapuram In Nalgonda Districts.
  7. AP Beverages Corporation Limited on August 1, 1986 (31 Depots and)
  8. AP Leather industrial Development Corporation Limited on October 4, 1973. Total 94 Leather parks are there till March 2007.

### **Profits industries by 2004-05:**

1. Singareni Calories Company Limited
2. AP Housing Board
3. APGENCO
4. APTRANCO
5. AP Mineral Development Corporation
6. AP Ware Housing Board
7. AP Trading Corporation
8. AP Forest Development Corporation
9. AP Financial Corporation
10. AP Civil Supplies Corporation

### **Losses Companies: by 2004-05:**

1. APSRTC
2. AP Irrigation development Corporation
3. AP Minorities Finance Corporation
4. AP Leather industries development corporation

### **Pharmaceutical Industry:**

- AP is the first place in India in case of bulk drugs production its share is 40% of total production in India.
- By November 2006, total 650 Pharmaceutical companies are there. Out of 650, 12 companies are having international level.
- In our state 500 varieties of drugs are producing.
- The drugs production value is 6100 C by 2006-07.
- Dr. Reddy Laboratories is the biggest company in India, which is established in 1984.
- AP is having highest export of drugs in the country
- Pharma City established by AP Govt in 2006 at Parawada in Vizag districts. This is the first Pharma city. This name is Jawaharlal Nehru Pharma City.
- This Pharma City is constructing by APIIC and Ranke Pharma Limited with 11:89 respectively.

## Cooperative Sector

- Co-operative means work together.
- Cooperative movement started in India in 1904.
- In every year co-operative started in from the November 14<sup>th</sup>
- November 14<sup>th</sup> is Nehru Birth day and he was the pioneer of the co-operative.
- During the year 2007-08 the 54<sup>th</sup> All India Co-operative Week was celebrated from 14<sup>th</sup> November to 20<sup>th</sup> November 2007.
- Co-operative week is being celebrated every year starting from November 14<sup>th</sup> to promote better understanding of the co-operative principles and philosophy duly highlighting achievements of various sectors of the Co-operative movement.
- In Co-operative sector the people, who are depending on agriculture and allied activities mobilises the small size resources and put investment and the returns they will distribute among them.

### Growth of co-operative movements:

- In 1882 first agricultural bank established in Bombay by Sir William Weddar Burn
- In 1883 govt made the Land Development and debt Act. According this act long run debt given to farmers.
- In 1884 govt made the agricultural debt act. According this act short-run loan given to the farmers.
- 1891, in Nagpur meeting AICC opined that co-operative system alone is the basis for the effective farm management.
- In 1891 first co-operative society established in India.
- In India co-operative sector developed in three stages

### First stage of co-operative sector: (1900-1930):

- In 1901 under the chairman ship of sir Edward Law appointed "appointed society" to give the suggestions to establish the co-operative sectors. By lord Curzan. This committee supported that to develop the co-operative sector govt involvement was necessary.
- According this committee recommendation or drafting co-operative act came into force since 1904.

- According this act credit society started.
- 1904 act amended in 1912 and provided to register even the non-credit societies.
- Total 800 primary co-operatives were there by 1915.
- According 1919 monetg-chemsford act co-operative sector included in state list
- According this resolution Bombay presidency was the first state to start the co-operative societies. (in 1925 made co-operative act)
- In 1915 Mugligan committee told the co-operative societies are necessary for every village.
- In 1927-28 Royal committee said about the co-operative sector that "if the co-operative sector fails the hopes of rural India becomes miserable".
- Based on the recommendation of Town send committee (1927), Madras land Tanaka bank was established.
- In 1929 co-operation federation established in India.
- In 1932 Madras co-operative act made by madras province state.
- In 1932 Hyderabad co-operative societies act made.
- In 1940 Bengal, Orissa, Bihar co-operative societies started.
- In 1952 Hyderabad Co-operative societies act made after canceling 1932 act to implement in Telangana region only and established Hyderabad land Tanaka bank to give long-run loans to the farmers.
- In 1932 Madras Co-operative societies act for Andhra areas.
- Madras Land Tanaka bank for Andhra areas in 1934.
- In August 1, 1964 Andhra Pradesh Co-operative societies Act came into force after abolishing of above the acts, which were there in Telangana and Andhra area.
- In 1984 Multi Co-operative Act made by the central Govt.
- In 1995 Andhra Pradesh govt started in first time in the state "Andhra Pradesh Mutual Co-operative Societies Act".

### **Andhra Pradesh State Co-operative Bank:**

- This bank was started on August 4, 1963.
- Under this bank
  - 1.22 central co-operative banks
  - 2.4610 primary co-operative banks
  - 3.3528 Farmers co-operative societies
  - 4.1150 Consumers societies

- 5.152 urban co-operative societies
- 6.22 District marketing societies
- 7.2451 small farmers co-operative societies
- 8.12 retired employees co-operative societies
- 9.6738 large scale credit societies
- 10. 10,415 other co-operative societies
- 11. Total 29, 100 co-operative societies are under the control of APSCB.

- APSCB given a loaning program of Rs. 133 cores for disbursement of Long Term Credit loans, including for SHG and Rythu Mitra Groups (RMGs) for 2006-07.
- Total 185.93 cores have been disbursed during the year 2006-07 for the various purposes like minor irrigation, farm mechanization, dairy, horticulture, fisheries etc.
- 2007-08 Agriculture credit target was Rs.4000 C
- Khariff 2400 C and Rabi Rs.1600 C
- Total 776 C distributed by the end of July 2007.
- APSCB is the Apex bank for co-operative sector in the state.

### **1. Rural Credit Co-operatives:**

- The rural credit structure at present is 3 tier systems.
- State co-operative bank in the state level (APSCB). This is apex in the co-operative sector in the state.
- District Co-operative Central Bank (DCCB) at the district level
- Primary Agricultural Credit Co-operatives (PACC) at the village level.
- PACS issued the Kisan Credit Cards to 41, 02, 000 farmers.
- The PACS has been re-organized based on the recommendation of Prof. Vaidyanathan Committee, which is constituted by the Govt for the re-organization of the co-operative societies.
- Based on the recommendation of this committee The PACS reorganized from 4465 to 2940 in our state.

### **2. Integrated Co-operative Development Project: (ICDP):**

- This project is implementing since 1989 in AP to provide the infrastructure facilities like godown, storage facilities etc. in the districts.

- This project has already implementing EG, Nizamabad in first Phase and
- Krishna, Kurnool, Nalgonda and Chittoor in second phase
- In 2006-07 planning to implement in Guntur, Vizag, Medak, Warangal, Nellore, Srikakulam, Vizianagaram, WG, Kadapa, Mahabubnagar, Anantapur, Adilabad, Karimnagar and Ranga Reddy districts.
- Present the projects report were submitted to NCDP for sanction of ICDP in Prakasam and Khammam.

### **3. Marketing CO-Operatives Societies:**

- There are 22 Districts Co-operative Marketing Societies (DCMSs)
- These are started in 1955 in Hyderabad.
- There are undertaken procurement of agricultural produce to enable agriculturalists to get the minimum administered prices for their produce.
- These are procured the seeds on behalf of Seed Development Corporation.

### **4. AP MARKFED:**

- It was established in 1957 as Apex organization for the co-operative marketing societies for supplying agricultural inputs like fertilizers.
- And also procured of agricultural commodities under MSP.

### **5. AP State Co-operative Union Hyderabad:** (APSCU)

- These are started in 1961
- It is the Apex co-operatives in the field of co-operative Education and Training.
- 6 other co-operative training co-operative centers are working under APSCU.

**6. APSC Rural Irrigation Corporation Ltd, Hyderabad (APSRCILH):**

- It is started in 1981.
- Its main objective is drilling of in well bores for small and marginal belonging to SC, ST and other weaker sections and to enhance irrigation facilities.

**7. Rural Electric Co-operative Societies (RECS):**

- It is started in 1970 in Sirisilla of Karimnagar district.
- Total 9 RECS were organized in 52 mandals covering 1163 villages in the state.
- These societies purchase electricity in bulk from APGENCO.
- Total number of connections under operation is 3, 75,384.

8. Hyderabad Agricultural CO-operative Association Limited in 1949.

9. AP Tribal co-operative credit organization in 1956

10. AP Co-operative knowledge society in Hyderabad. This established in 1985 based on the 1964 co-operative act to develop the software and data processing.

11. AP Women co-operative economic corporation (APWCEC) IN 1975

12. Co-operative Tribunals. There were four tribunals are there and started in 1993 two at Hyderabad and Vijayawada. And in 2003 two were started at Warangal and Vizag.

- Andhra Pradesh Co-operative society Act rules in 1964.
- Andhra Pradesh Aided Co-operative Society Act in 1995
- Mutual state Co-operative society act in 2002.

2005-06 co-operative shares in Agriculture credit

Co-operative societies 3126 C (19.56%)

RRBs 2817 C (17.63%)

Commercial Banks 10, 037 (62.81%)

2006-07 co-operative shares in Agriculture credit

Co-operative societies 4096 C (21.18%)

RRBs 3323 C (17.17%)

Commercial Banks 11925 C (61.65%)

2007-08 co-operative shares in Agriculture credit

Co-operative societies 4459 C (19.68%)

RRBs 3797 C (16.76%)

Commercial Banks 14394 C (63.56%)

### **Problems in Co-operative sector:**

- 1.Lack training facilities
- 2.Lack aware among the people about the co-operative sector
- 3.Lack of leadership
- 4.Lack of resources
- 5.Non co-operation among the members
- 6.There is constitutional status for co-operative principles
- 7.Credit facilities are not using for productive purposes
- 8.these societies are providing loans to the farmers and other than this not helping to the farmers.
- 9.Lack of infrastructure facilities
10. Monopoly practices
11. Political intervention
12. Burden of the interest

### **Emerging Role of Cooperatives in Microfinance**

- The Andhra Pradesh Mutually Aided Cooperative Societies (APMACS) Act, 1995 has resulted in the creation of over 30,000 new Mutually Aided Cooperative Societies (MACS) in Andhra Pradesh.

- A vast majority of these are Village Organizations (VOs) of SHGs and about 800 are higher level federations of these VOs at the Mandal level (20-30 villages).
- All these have been formed as part of the Velugu Programme.
- But about 600 Mutually Aided Cooperative Societies (MACS) are independent of the Velugu Programme. And have been promoted by NGOs.
- These institutions are able to provide savings and credit services to their members and are fully autonomous.

### **Vydhyanathan Committee:**

- To study the implementation of co-operative sector one Task Force Committee appointed by the govt under the chairmanship of Vydhyanathan.
- It is appointed on August 5, 2004 with 7 members.
- This committee submitted its report on February 4, 2005.
- This committee gave the recommendations to improve or the recovery of the co-operative sector.
- According this committee the credit of co-operative sector declined from 62% to 34% during last 10 years.
- At the same time commercial credit rate increased from 33% to 57%
- According this committee PACS reorganized and reduced to 2940.
- Highest PACS are there in Krishna District with 425
- Second highest in EG with 295
- Third highest in WG with 257
- Lowest in Srikakulam with 51
- Second lowest Raga Reddy with 58
- There is PACS in Hyderabad district.

### **Famous personalities in Co-operative sector:**

- A.K.Viswanatha Reddy. Total 35 years he gave services for the development of co-operative sector
- Kashinatha Rao. He worked as Nizamabad district central bank director and he had the titles like Sahakara Vibhushana and Sahakara raju.

- Palle keshava Rao. he worked as DCCS President for 30 years. He worked as chairman for State co-operative bank.
- Machani Somappa. He established the Emmiganur Co-operative Handloom society in 1938.
- Pendekantti Venkata Subbaiah. He started Banagani Palli Town Bank.
- Vemavarapu Ramadasulu. He started the "South India co-operative insurance organization"
- Bogaraju Pattabi Sitaramaiah. He established Krishna District Co-operative Bank and Co-operative news paper also run by him behalf of this bank. He also established Andhra Bank, Andhra Insurance Company, Gadlavalleru and Vadlamannadu Land Tanaka Banks established.

### Agricultural Credit

Year	Institutional Credit				Non-institutional Credit				
	Govt	Co-operatives	Commercial Banks	Total	Money Lenders	Trades	Relatives & friends	L L & others	Total
1951-52	3.1	3.3	0.9	7.3%	69.7	5.5	14.2	3.3	92.7%
1971-72	7.1	22.2	2.6	31.7%	36.1	8.4	13.1	10.7	68.3%
1981-82	3.9	29.9	29.4	63.2%	16.1	3.2	8.7	8.8	36.8%
1995-96	5.0	40.0	30.0	75%	7.0	5.0	3.0	3.0	25.0%

Year	CBs	RRBs	Co-Op	Total
1996-97	1610 C	339 C	1337 C	3286 C
2000-01	2732 C	676 C	1462 C	4870 C
2002-03	5448 C	1518 C	3959 C	10925 C
2004-05	8857 C	2687 C	2077 C	13621 C
2005-06	10037 C	2817 C	3126 C	15980 C
2006-07	11925 C	3323 C	4096 C	19344 C
2007-08	14394 C	3797 C	4459 C	22650 C

### **Subsidies:**

- What is subsidy
- Why subsidies
- Electricity subsidy: \_since 2004 May 14 free power supplying by the Govt
- Total Rs.1259 C debt moratorium imposed.
- Single bulb and less than 15 units power supplying by govt Rs.10 per month per family and total 13.92 lacks poor consumers are getting
- Daily 7 hours per agriculture sector

### **Electricity Subsidy: \_**

- 2003-04 3623.28 C
- 2004-05 3568.58 C
- 2005-06 3911.47 C
- 2006-07 4843.32 C

### **Fertilizers Subsidy:**

- In 1990-91 total fertilizers subsidy was Rs.4389 C. Out of this 13.03% (571.9 C) was AP share and out of this 386.1 C for farmers subsidy.
- In 2002-03 total subsidies in India was Rs.11014 C. out of this 10.31% (1135.54 C) was our state share and Rs.766.1 C was for out state agriculture sector.
- After 2002-03 in our state the data available related to subsidies.
- In 2007-08 total 93.86 C given subsidies for seeds for farmers.
- 75% seeds are planning to supply for the farmers. (2007-08).
- 50% subsidies are providing for cropping change and allocated for this was Rs.30 C .(2007-08).
- Total 65.50 C allocated to supply modern agricultural machines around 2 lacks. . (2007-08).

## **Administered Prices:**

- Agricultural Prices are 3 types

1. Support Prices
2. Procurement Prices
3. Issues Prices

### **1). Support Prices:**

- Govt will give guarantee to the farmers of their production by announcing support prices.
  - Support prices are two type
1. Minimum Support Prices
  2. Statutorily Minimum Prices
- Govt will purchase the farmers agricultural productions with guarantee prices even the during Market fluctuations this prices are called MSP
  - If the products buys the govt according CACP (Commission for Agricultural Costs and Prices). These prices are called Statutorily Minimum Prices.

### **2). Procurement Prices:**

- For the purpose of PDS the govt will procure the food grains. Which prices are giving by the govt to procure these food grains is called the procurement prices.
- Generally this prices more than the MSP and less than the Market Prices.
- FCI, State Civil Supply Corporation will procure the food grains.

### **3). Issue Prices:**

- Central govt announce these prices to provide the food grains for the states.

### **Agricultural Prices Commission (APC):**

- APC Established in 1965 based on the recommendation of L.K.Jha committee.
- Based on this recommendation first time in India Agricultural Support Prices announced by Govt in 1967-68.
- In 1985 govt APC has changed as CACP Prof. T.Haq was ex-chairman and present chairman is Mahendra Singh Dev.
- In 1990 C.H Hanumantha Rao Committee recommended Support Prices.
- In 2002 Abhijit Sen Committee also supported the food grains procurement policy.
- In 2003 Prof. Alagh Committee also recommended the MSP
- IN 2006 M.S. Swami Nathan committee appointed to study the problems of the farmers and to decide the MSP.

### **MSP for 2007-08:**

- 1.Paddy Grade-A 675+100
- 2.Paddy Normal 645+100
- 3.Sajja 600
- 4.Maize 620
- 5.Ragulu 600
- 6.Wheat 1000
- 7.Minumulu 1550+40
- 8.Pesaru 1700+40
- 9.Bengal Grams 1700+40
10. Cotton between Rs.1800 to Rs.2030
11. Ground Nut 1550
12. Sun flower 1510
13. Nuvvulu 1580
14. Sugar Cane 81.18 per Quintal (811.8 per Tones)
15. Tobacco Rs.32 to 34 based on the kind

## Unit - 5

### Public distribution system

- During Second World War govt taken the measures to control prices and rationing
- Wheat, rice, oil, sugar, kerosene etc goods distributing the govt with low prices in the part of PDS through ration shops.
- FCI is procuring the food grains for PDS.
- PDS started in AP in 1960 with 0.47 lacks rationing shops.
- It is increased to 4.50 lacks shops in 1998.
- At present there are 4.62 Lacks shops are there
- Around 160 million families are getting benefit
- Every year around Rs.30,000 worth of goods distributing through PDS
- In 1974 Civil supplies corporation established by the state Govt.
- Average persons to establish ration shop is 2000 in all India level and AP 1965.

#### Targets of PDS:

- 1.To avail the compulsory goods with necessary quantity for the poor people.
  - 2.To decide the prices according poor people purchase power by giving subsidy
  - 3.To supply the goods for qualified peoples.
- Beneficiaries are two types under PDS
    - 1.Below Poverty Line (BPL): For these people white card given by the govt.
    - 2.Above Poverty Line (APL): for these people pink card given by the govt.

#### Revised PDS:

- This is started by the govt since 1992 January in around 1775 blocks this programme implemented y the govt. and 671 blocks also implementing since October 1995 so total 2446 Blocks RPDS is implementing.
- Total 14, 181 new shops opened by the govt
- And 160 additional benefits got from this programme.

- In desert areas, Drought areas and tribal areas, which is come under Integrated Tribal Development Scheme.

### **TPDS:**

- This is started in December 1996.
- From this programme total 320 BPL families got benefit.
  1. Under this programme additionally 10 k.g will get by every family per every month.
  2. Double prices provided y the govt through this scheme.
  3. APL families will pay the issue prices.
  4. But for BPL families additional 10 k.g guaranteed by the Central Govt.
  5. Subsidy rice distributed by the govt per Labour for each Labour Day.
- Under TPDS since July 2001 25 Kg provided by the govt.
- With Wheat Rs.4.15.
- Rice Rs.5.65
- But under Antyodaya Programme Wheat is Rs.2 and Rice is for Rs.3.

### **Ahara Coupons:**

- This is started in 1998-99 for rice and Kerosene
- After implementing this programme govt saved the 20 Tones rice and 71 lacks kerosene.

Total 1, 70, 22,139 lack white cards

14, 36, 353 Antyodaya Anna Yojana (AAY) cards

55,010 Annapurna Cards in 30-9-07 and 93, 200 cards in January 2008.

38.39 lack pink cards

223.52 lack Iris based cards are there as on 30-09-2007.

Jan Kerosene Pariyojana implementing in 21 districts except Prakasam and Hyderabad.

Iris based cards implementing since 26<sup>th</sup> June, 2005 in all Municipalities and Municipal Corporations.

**Subsidy:**

Year subsidy cost % in state expenditure

1980-81 650 C 2.9%

190-91 2450 C 2.3%

2000-01 12, 120 C 3.6%

2003-04 25, 800 C 5.2%

- In 2007-08 total Rs. 720 crore have been provided in the budget towards subsidy on supply of rice at the subsidized rate of Rs.5.25 per Kg to BPL families.
- Highest ration shops are there in Chittoor district
- 2<sup>nd</sup> place in Guntur district
- 3<sup>rd</sup> place in Anantapur District.
- Lowest in Hyderabad district.
- Highest white cards in EG, Guntur, WG, Krishna respectively.
- Highest pink cards are there in Hyderabad, EG and Guntur.
- Total Highest cards are there in EG, Guntur, Krishna and WG.
- For white cards each person 4 Kg and maximum per family 20 Kg per kg price is Rs. 5.25.
- AAY Cards per month 35 Kg per kg is Rs.3
- Annapurna cards per month 10 kg free will distribute by the govt for above 65 years peoples.
- Wheat price is Rs7 per kg and distributed 10 kg per all types of cards holders per month.
- Since April 9, 2008 Rs. Kg programme was introduced by the govt
- Around 1 cr ore peoples will get benefit from this programme.
- Total 1980 C allocated in the budget for this purpose.
- 25 years after it was first introduced.
- The ministers launched the scheme in different district while Chief Minister Y.S. Rajashekhar Reddy will formally launch the scheme later in the day at Jedcharla in Mahabubnagar district
- State officials said 65 million out of the total population of 82.2 million would be benefited by the scheme,

- On the first day, 400,000 trucks transported 350,000 tones of rice to 41,000 ration shops across the state
- The government also plans to supply red gram (Kandulu) at Rs.30 per kg and palmolein oil at Rs.60 per kg to BPL ration cardholders from May 1.
- INDIRAMMA (Integrated Development in Rural Areas and Model Municipal areas).

### 2008-09 Budget

S.No	Items	2007-08	2008-09
1	Revenue receipts	54,949	70,927.03 C
2	Capital receipts	26,072	29,643.73 C
3	Total receipts (1+2)	81,012	100570.76 C
4	Non-plan expenditure	48,021	51,885.55 C
5	Plan expenditure	32,973	48,551 C
6	Total expenditure (4+5)	80,996	100,436.55 C
7	Revenue expenditure	54,996	70,217.72 C
8	Capital expenditure	12,869	17,851.84 C
9	Surplus	--	134.21 C
9	Revenue deficit	36	+709.31 C
10	Fiscal deficit	8620	9657.66 C

1. Tax Revenue = 37866.16 C
2. Share of central Taxes = 12597.44 C
3. Non-Tax Revenue = 8872.6262 C
4. Grants- in – aid= 11590.7992 C

Total Revenue = (1+2+3+4) = 70,927.03 C

1. Loan advances Rs.355.66 C
2. Other Receipts Rs.12000 C
3. Barrowings from Public Rs.1620.01 C
4. Public Debt Rs.15668.06 C

Total Capital Receipts are = (1+2+3+4) = Rs.29, 643.73 C

Revenue Deficit = revenue receipts (70,927.03 C) - revenue expenditure (70,217.72 C) = 709.31 C

Fiscal Deficit = revenue deficit (+709.31 C) + Loans Recoveries and other receipts (12355.66 C) – Capital Expenditure (17851.84 C) – expenditure on Loans and advances (4870.79 C). = 709.31 C + 12355.66 C- 17851.84 C – 4870.79 C = 9697.66 C..

#### Highlets OF 2008-09 Budgets

- Highest times (13 Times) K.Rosaiah introduced budget in the state.
- Highest times (15 times) Veerabhadra Singh (Himachal Pradesh Ex CM) introduce the budget in India.
- State annual plan- Rs.43,203 C
- Central Aid- Rs.5348 C
- Non-plan expenditure- Rs.51, 885C
- Revenue surplus – Rs.709 C
- Fiscal deficit- Rs.9657 C
- Rs.2 kg rice expenditure –Rs.1980 C
- Irrigation projects and Flood Control- Rs.16500 C (27%)
- INDIRAMMA houses – Rs.5850 C
- Rs.1914 C allocated for Transport.
- To establish B.C. Girls hostel in every constitution.
- Fees re-imburement for BC, Minorities students. Total Rs.150 C allocated (Rs.30 C)
- To establish universities in Srikakulam, Palamuru and Kurnool.
- Rs.35, 000 C Investments in 71 SEZs.
- Establishment of livestock Research center with Rs.100 C in Puluwendula.
- Rs.1210 C funds for MLAs, and MLCs.
- For urban renovate total funds Rs,1500 C allocated (Rs.800 C)

#### Income in% in 2008-09 Budgets.

- 1.share in central taxes 17.76%
- 2.state taxes and customs 53.39%
- 3.interest receipts 6.15%
- 4.non-tax revenue 22.70%

#### • expenditure in % in 2008-09 Budgets

- 1.development Expenditure 69.80%
- 2.Debt services 13.26%
- 3.Administration expenditure 5.73%

4. Tax collection charges 1.14%
5. other expenditure 9.07%
6. surplus 1.00%

**Annual plan expenditure:**

1. Agriculture and Allied Activities Rs.2242.28 C
2. Rural development Rs.2848.97 C
3. Irrigation and Flood Control Rs.16500 C
4. Power Rs.391.68 C
5. Industries and Mines Rs.571.74 C
6. Transport Rs.2483.15 C
7. Science, Technology and Tourism Rs.2.97 c
8. Economic services Rs.1897.58 C
9. Social Services Rs.15905.58 C
10. General Services Rs.376.33 C

During 2006-07 tax revenue follows like

1. Sales tax 64.65% (15467 C)
2. State excise tax 14.37% (3437 C)
4. Taxes on motor vehicles 5.71% (1365 C)
3. Stamps and registrations 11.97% (2865 C)
7. Land revenue 0.48% (114 C)
5. Professional Tax 1.3% (312 C)
6. Electricity Duty 0.63% (151 C)
8. NALA 0.11% (26 C)
9. Others 0.79% (189 C)

During 2007-08 (R.E.) tax revenue follows like

1. Sales tax 65.6% (20568 C)

2. State excise tax 13.2% (4125 C)
4. Taxes on motor vehicles 6.07% (1892 C)
3. Stamps and registrations 11.94% (3750 C)
7. Land revenue 0.44% (129 C)
5. Professional Tax 1.23% (383 C)
6. Electricity Duty 0.56% (176 C)
8. NALA 0.18% (50 C)
9. Others 0.78% (329 C)
  - During 2006-07 Total Revenue was Rs.30, 414 C and out of this tax revenue is Rs.23, 926 C (78.67%) and non-tax revenue was Rs.6488 C (21.33%).
  - During 2007-08 Total Revenue was Rs.38, 274 C and out of this tax revenue is Rs.31402 C (82.05%) and non-tax revenue was Rs.6872 C (17.95%).
  - Mines and minerals contributing more non-tax revenue in both years, after central aid.

**Public Debt:**

- Total AP debt as on the period of 1999-2000 was Rs 29, 114 C. It was 22.5% in GSDP.
- Total AP debt as on the period of 2003-04 was Rs 58,770 C. It was 30.79% in GSDP.
- Total AP debt as on the period of 2006-07 was Rs.75, 421 C. It was 28.02% in GSDP.
- Total AP debt as on the period of 2007-08 was Rs.83, 888 C. It was 26.91% in GSDP.

## Transport and Communication

- Transport has plays main role in economic development.
- It regulates movement of goods and passenger transport and thereby accelerates trade and commerce.
- Transport system can be divided into 3 types.
  - 1.Road ways or transport
  - 2.Water ways or Transport
  - 3.Air ways or transport.

### Road ways or Transport:

- Roads are one of the basic modes of transportation system and also an important priority sector of infrastructure.
- Among the different modes of domestic transport systems, roads transport carries more than 80% of the goods and passenger traffic.
- Road transport can be divided into two types
- According 1943 Nagpur planning first time roads were constructed.
- In 1961 central govt formulated 20 years planning for road construction.
- Roads and building department came into existence in the year 1965. As a wing of public works department.
- AP Transport Development Corporation established in January 2, 1998. With the objective for the development and maintenance of roads in the state
- Road in the state can be divided into 3 types
  - 1.National High ways
  - 2.Roads under the control of Road and Building
  - 3.Roads under the control of Panchyat Raj and local bodies.
- 7% National Highways
- 15% State Highways
- 47% Major District Roads.
- 31% Rural roads.

### National Highways in the state:

- There are 15 National High ways in the state covering a length of 4648 KM.

- Out 4648 KM 1125 km are four lane
- 3158 km two lane
- 365 k is single lane.
- The density of National Highways is 6.03 Kms (6.40 Kms is in all India level) per lack population in the state.
- Terms area coverage a length of 16.59 km (19.95 Kms in all India level) is available for every 1000 sq.Kms in the state.
- The NH in the state is maintained by R&B
- But this cost will given by NHAI (National Highway Authority of India) to R&B.
- The roads are maintained by NHAI, which are constructed by the assistance of World Bank, and the foreign countries. Ex: Golden Quadrilateral (Swrna chathurbhuji).

### **Important NH in the state:**

- 1.NH-5: 1016 Kms. From Tada in Nellore to Itchapuram in Srikakulam District.
- 2.NH-7: 753 Kms. From Adilabad to penugonda.
- 3.NH-9: 430 Kms. From Machilpatnam to Zahirabad.
- 4.NH-18: 369 Kms. From Kurnool to Chittoor.
- 5.NH-205: 360 Kms. From Anantapur to Renugunta.
- 6.NH-222: 60 Kms. From Nirmal to Nandhed. (smallest NH in the state)
- 7.NH-214: 270 Kms. From Kattipudi in EG to Pamarru In Krishna District.
- 8.NH-214-A: 255 Kms. Narsapur in WG to Chirala. (It is connecting with NH-5 near Chirala.) (15<sup>th</sup> identified Highway)
- 9.NH-221: 155 Kms. Kondapalli in Krishna District to Bhadrachalam. (Go to Chattisgarg)
10. NH-219: 218 Kms. Madanapalli in Chittor District to Kuppam
11. NH-202: 244 Kms. Hyd to Warangal (Chattisgarg)
12. NH-63: 62 Kms. Guntakal to Gooty.
13. NH-43: 83Kms. Vijayanagaram to Raipur.
14. NH-16: 220 Kms. Nizamabad to Jagityala.
15. Nh-4: 83 Kms.

- Chittoor District having highest length of NH with 524 Kms.
- Second highest is Krishna District. With 420 Kms.
- Lowest NH is having Hyd. With 37 Kms.
- Second lowest is having Karimnagar with 80 Kms.

## **National Highway Development Project (NHDP) Phase I & II:**

- The NH No.5, 7 and part of 9 are taken up for the development of four-lane roads in the state.
- The total Length of the roads taken up for development is 1838 Kms.
- The Golden Quadrilateral covering construction of 1016 Kms is completed.
- The construction of roadwork named as North-South Corridor covering 762 Kms. So for 39 Kms completed and scheduled for the completion by December 2008 remaining.

### **NHDP Phase-III**

- 519.50 Kms length of NH is proposed for widening into 4 lanes on the basis of Build, Operate and Transfer (BOT) model.
- Under this model Hyd-Vijayawada-Machilpatnam on NH-9 of length 241 Kms.
- Kadapa- Mydukur-Kurnool on NH-18 of length 192.5Kms
- Hyderabad-Yadagiri on NH-202 of length of 30 Kms.
- On NH -205 of length of 56 Kms. near Tirupati.

### **State Roads or state highways**

- Total 10, 217 Kms are there
- Nellore district is having highest length of state highways with 905 Kms.
- Second highest having Kadapa district with 791 Kms.
- Lowest length of state highways is having Hyderabad district. With 20 Kms.
- Second lowest length district is having Vijayanagaram with 122 Kms.
- Widening of Roads to four lanes four lanes under Public Private Partnership (PPP) IS 1252 Kms.

#### Roads Widening under PPP

S.No	Roads	Length
1	Hyderabad – Karimnagar - Ramagundam Road (Rajiv Rahadari)	201 Kms
2	Narketpally - Addanki Road	213 Kms
3	Puthalapattu - Naidupeta Road	101 Kms
4	Khammam - Devarapally Road	177 Kms

5	Kadapa – Renugunta Road	138Kms
6	Warangal - Khammam Road	112 Kms
7	Suryapet - Khammam Road	62 Kms
8	Pericherla – Thokapally	133 Kms
9	Warangal - Raipatnam Road	115 Kms
10	Total	1252 Kms

- By the end of March, 2007 1, 21, 079 Kms Panchyat Raj and local self administrative body roads are there in the state.
- Panchyat Raj roads more length having district is Mahabubnagar.
- Highest length of R & B roads district is Kadapa.
- SAFAR Program was inaugurated on 2<sup>nd</sup> October 2005 to bring down the number of accidents.

### **Tax Revenue from Motor Vehicle**

Year	Tax Revenue (In Crore)
2001-02	950.92
2002-03	918.69
2003-04	1095.85
2004-05	1096.49
2005-06	1354.19
2006-07	1371.96
2007-08 (Upto Dec 2007)	1148.83

### **APSRTC**

- The Transport needs of the people in the state were first met by a wing of Nizam Railways in June 1932 with 27 aibion Buses and 166 staff.
- November 1<sup>st</sup> 1951 Separate department started in Hyderabad state.
- According APSRTC Act of 1951 since January 11<sup>th</sup>, 1958 APSRTC is working.
- In 1958 total 16 Depots, 609 buses and 5081 staff were there.
- APSRTC is the largest State Road Transport undertaking in the country.

- APSRTC entered the Guinness Book of World Records on 31<sup>st</sup> October, 1999.
- APSRTC entered in the Limca Book of Records in the year 2000.
- By the end of 1<sup>st</sup> October 2007 There are 19, 692 Buses.
- Out of this 1678 Buses are rental buses.
- Total 210 (204 According Economic survey) Depots are there in state.
- 22 regions are there
- 6 zones are there
- 523 Bus stations
- By August 2007 total 7, 319 routs are there
- Total 24,336 villages connected by APSRTC.
- 1, 15, 676 (1, 15, 529 according economic survey) staff are there.
- APSRTC operates over 67.05 lakh Kms per day. And carrying 1.26 crore of passengers daily.
- 2004-05 Central Govt given best RTC Award to APSRTC.
- December 2007 APSRTC introduced 8 CNG buses (Compressed Natural Gas)

### Railway

- First Railway lane in our state was in 1862 from Renugunta to Putthur.
- In 1872 railways started in Hyderabad state.
- In 1966 SCR started as 9<sup>th</sup> zone.
- AP is the 5<sup>th</sup> place in railway network

1<sup>ST</sup> Place is UP

2<sup>nd</sup> place is Rajasthan

3<sup>rd</sup> place is Maharastra

4<sup>th</sup> Place is Gujarat

5<sup>th</sup> place is AP

- By the end of March 2007, total distance covered by railways is 4, 992 Kms.
- SCR 563 Stations 4281Kms
- South railway 10 Stations 121 Kms
- East Coast Railway 73 Stations 590 Kms.
- For SCR total 6 divisions are there

1. Secunderabad
2. Vijayawada
3. Guntakal
4. Hyderabad
5. Guntur
6. Nandhed

### Air Ways

- Air Port Authority of India recognized 6 air ports in AP
  1. Hyderabad (Present Shamshabad)
  2. Visakhapatnam
  3. Rajamundry
  4. Vijayawada
  5. Puttaparthi
  6. Tirupati
- Govt is planning start at air ports at Kadapa and Warangal
- Begum pet airport was 6<sup>th</sup> busiest air port in India.
- Present a new Hyderabad International green field Air port at Shamshabad developed under public and private partnership
- GMR-MAHB having 74% share
- Air port Authority of India is having 13%
- AP State Govt having 13%
- Total project cost expected cost is 2584 Core and revised cost was 5,584 Crore
- 5,449 acres is there
- Longthiest run way in the country with 4.26 Kms

### water ways.

- AP Is having 974 Kms coastline
- Major port at Visakhapatnam under the control of Central Govt
- 12 minor ports under the control of state Govt
- Kakinada port: it is privatized in 1999 and handed over to M/s. International Sea port for 20 years
- Gangavaram Air Port: It is a Satellite Port for Visakhapatnam. For this 14 Crore allocated in 2008-09 budgets.
- It is the deepest port with 21 meters
- Krishnapatnam port is in Nellore district and it was privatized in 1997. 20 Crore allocated in 2008-09 budgets

- Nizampatnam Port is located in Guntur district and it is functioning with 250 Boats.
- In 1996 inland water ways developed from Chirala to Rajamundry.
- Bnking Ham Canal distance is 310 Kms from Vijayawada to Chennai
- KC Canal Distance is 116 Kms
- Dhavaleswaram to Kakinada canal distance is 50 Kms.

### **Communication**

- First telegraph line is from Mumbai to Kurnool in 1857
- By the end of March, 2007 total 114 Telegraph Offices, 3677 Telephone exchanges (3568 in 2005-06) are there
- As per the TRAI report, there are a total of 204.62 lakh telephone connections at the end of November 2007 in the state.
- 245 telephone exchanges are there in the Hyd and RR Districts.
- 206 are there in the Kurnool district.
- In 1871 first time in all districts post-offices are started
- As on March 2007, there were 16, 159 Post offices in the state.
- Out of this 105 (104 in 2006-07, 100 in 2004-05, 104 in 2003-04) head post offices are there.
- 2343 in 2006-07 (2352 in 2005-06) sub post offices are there
- 31 in 2006-07 (in 2005-06 there are 35) extra departmental sub offices are there
- 13, 681 in 2006-07 (13,686 in 2005-06) Branch offices are there
- Highest post offices are in Anantapur district having 946 post offices
- Second is Prakasam district having 901 post offices

### **Tourism**

- AP Tourism Development Corporation (APTDC) is a state Govt Undertaking incorporated in the year 1976.
- Since 1976 to 1981 it was under the control of APSRTC.
- In 1981 it was separated from APSRTC.
- Since 1998 it is developing
- In 2002 APTDC taken Golden Shield for best Tourism sector by the central government.
- APTDC has developed infrastructure at over a hundred tourism centers in the state.

- Its growth with turnover from Rs.30.76 C in 2002-03 to 89.50 C in 2006-07
- Number of tourists increased from 1.47 Millions tourists in 2002-03 to 5.35 Million tourists in 2006-07.
- More Number of Tourists visited to Chittoor Districts during 2006-07.
- APTDC is running 120 busses that connect important tourism locations within and outside the state.
- The activities of the Corporation can be classified broadly into the following
  - 1.Tourism Infrastructure Development.
  - 2.Hotels & Catering Units.
  - 3.Guided & Package Tours
  - 4.Leisure Cruises & Pleasure Boating
  - 5.Sound & Light shows
  - 6.Eco-Tourism
- APTDC started the construction of Rope Way at Vizag and Srisailam.
- APTDC runs a chain of 54hotels with 1100 Number of rooms and 2200 Total Bed strengths
- APTDC has developed Harita Hotel Chain located in important tourists' centers.
- Important places where Hotels & Resorts are located include Hyderabad, Vijayawada, Vizag, Jungle Bells, Araku Valley, Rishikonda, Basara, Bhadrachalam, Warangal, Tirupati, Horsley Hills, Kuppam, Yadagirugutta, Kurnool, Dwaraka Thirumala, Srisailam, Nagarjuna Sagar, Kadapa, Dindi and Nellore.
- APTDC developed Sound & Light shows at Golkonda and Chandragiri Palace near Tirupati.
- A multimedia show is under development at Amaravathi.

### **13-06-2008**

- APTDC has focused developing three primary destinations (target places) in Hyd, Visakhapatnam,, and Tirupati.
- APTDC has focused developing three secondary destinations in Warangal, Kurnool and Vijayawada.
- The following tourist circuits (route) are being developed by APTDC by creating and strengthening the infrastructure
  - Integrated development of Nagarjuna Sagar as Buddhist Circuit. It is developed during 2003-04 with 6.20 C

(This is constructing based on the Buddha and Buddhism ideology, Acharya Nagarjuna and Ikshvaka Dynasty)

- Buddhist Circuit of Amaravathi. It is developed during 2003-04. with 400 Lacks. (to exhibit models of sculptures of Amaravathi)
- Lower Krishna Valley Buddhist Circuit. It Developed during 2005-06 with 10.57 C (integrating places like Nagarjuna Sagar, Amaravathi, Chandavaram, Undavalli)
- Development of Kadapa – Kurnool Circuit. It is developed during 2004-05 with 10.50 C. (Alampur, Tadipatri, Belum Caves, Erragudi, Gandikota, Onttimitta, Mahanandhi, Ahobilam and Bramhamgari mattam)
- Development of Araku – Vizag Tourism Circuit. It is developed during 2005-06 with 869.92 Lacks cost. It is assisted by Govt of India. To construct hotel at Araku, development of Ananthagiri waterfall and boating facilities at Gosthani River.

#### **Eco-Tourism:**

- APTDC took an initiative for identification of potential Eco-tourism spots in the state.
- Recently APTDC revamped (restore) and successfully implemented the popular eco projects like the Belum Caves, Borra Caves, Jungle Bells at Tyda, the famous lake project at Durgam Cheruvu, Illumination of Ettipothala Waterfalls and Development of Bhavani River Island.
- The govt is encouraging Community based Eco-Tourism in association with Forest Department.
- During 2006-07 APTDC in coordination with AP Forest Department and Vana Samrakshana Smathies (Tribal Communities) has identified eight Eco-tourism Destinations
  - 1.Maredumilli East Godavari
  - 2.Nelapattu Nellore
  - 3.Mamandur Chittor
  - 4.Talakona Chittor
  - 5.Nanniyal Chittor
  - 6.Balapalli Kadapa
  - 7.Ettipothala Guntur
  - 8.Kambala Konda Visakhapatnam
- During 2005-06, the govt has taken up the initiative of developing wayside amenities (Facilities) along with National

Highways in the state through APTDC in a big way. In eight places

1. Alamkhanpally
2. Suryapet
3. Pragnapur
4. Kamareddy
5. Itchapuram
6. Lepakshi
7. Srikakulam
8. Srikalahasthi

- Development of wayside amenities at Tallada, Nirmal, Singarayakonda and Annavaram will be taken up during 2007-08.

APTDC is developing budget hotels like in the following places.

- Budget hotel at Araku with 5.50 C with central assistance with 65 room accommodation.
- Budget hotel at Kadapa with 497 lacks with 43 rooms and 8 Luxury rooms.
- Budget hotel at Chinchinada as a part of konaseema development with 450 lacks with 33 room accommodation, Ayurvedic massage centre, Swimming pool and Gym. 50 lacks assisted by GOI and 150 lacks assisted by GOAP and remaining by APTDC.
- Budget hotel at Nellore with 500 lacks with 36 rooms. 250 lacks GOAP and 250 lack APTDC.
- Budget Hotel at Nizamabad in 1.62 acres and with budget estimation of 6 C. GOAP 50% and APTDC 50%.

### **Information Technology**

- In 1991-92 Central Govt started Soft Ware Technology Park of India in Hyderabad.

Year	Units	employs	Exports (Crore Rs)
1991-92	7	54	0.02
1997-98	112	8700	284
1998-99	194	12000	574
2001-02	1322	64000	2907

2003-04	909	85945	5025
2004-05	1061	126920	8270
2005-06	1234	151789	12521
2006-07	1408	187450	18582

- In 1991-92 started with only 7 companies and with 54 employs.
- Its Export value is only Rs.20 lacks in 1991-92.
- These companies increased to 1408 in 2006-07 and providing employment for 1, 87, 450. Out of 1408 around 41 MNC are there
- Its exported Rs.8270 C in 2004-05 and growth rate was 64.5% and national level growth rate was 34%
- Its exported Rs.12, 521C in 2005-06 with growth rate was 51% and national level growth rate was 36% and provided 1, 51, 789 employment. And number of unites are 1, 234
- Its exported 18, 582 C during 2006-07 with growth rate was 48.4% and national level growth rate was 32%
- In 2005-06 out of total exports 64% exported to USA, Canada and 25% exports to EU and remaining 11% exports to other countries.
- In 2006-07 AP is 4<sup>th</sup> position in national level
  - 1.1<sup>st</sup> place is Delhi-Gurgoan area
  - 2.2<sup>nd</sup> place Karnataka
  - 3.3<sup>rd</sup> place Maharastra
  - 4.4<sup>th</sup> place is Andhra Pradesh
- In 1998 Hi-tech City started in Hyderabad in three phases with APIIC and L & T partnership
- Hi-tech City means Hyderabad Information Technology and Engineering Consultancy
- 1<sup>st</sup> phase:
  - Cyber Towers 1<sup>st</sup> phase
    - 1.1998 November 22 cyber tower started
    - 2.by the end of 2006 total 5000 got employment in this tower
  - Phase –II (Cyber Gate Way)
    - 1.August 200 started
    - 2.By the end of 2006 total 7500 got employment
  - Phase – III (Cyber Pearl)October 2004 it is started
  - By the end of November 2006 total 3600 people got employment
  - To develop the IT sector and to decentralize IT from Hyd. AP govt started TIRE-II planning.
  - In TIRE-II planning in 6 cities IT is developing by AP govt

1.Visakhapatnam

2.Vijayawada

3.Kakinada

4.Tirupati

5.Warangal

6.Nellore

- Among TIRE-II cities Vizag is developing in fast growth

#### **IT based Services:**

- In 1986 itself AP govt started AP Technology Services (APTS) to develop the computerization in administration
- AP govt started many IT based services in the part of E-Governance

#### **E-SEVA:**

- It is started in December, 1999 and first E-SEVA center was started at Banjara hills.
- It is maintaining by CMC and RAM Info Limited
- It is providing services to citizens like online transaction processing of payments, issue of certificates, permits & licenses and many other services.
- It covers various departments like AP Transco, BSNL, HMWS&SB, GHMC, Registration & Stamps, Commercial Taxes, Transport, and Civil Supplies, Housing Department of both State and Central Government.

**APSWAN:** In 2002 Govt started APSWAN – AP state wide area net work it is linking all head quarters with Secretariat. CM will also teleconference manage with collectors.

#### **APonline:**

- It is started in 2002 AP Govt in with Tata Consultancy Services (TCS).
- AP is an e – Governance gateway for the AP govt to offer multiple services, through a single window to its citizens.

- It offers services like online payment of bills, interactive and useful information on Govt. Departments and Schemes.

**APNET or SAPNET: (Society for AP Network):**

It is started since 2004 for utilizing the INSAT –III-B satellite using KU band, which is running by autonomous society called SAPNET. The earth station (Sub planet) has capability of 5 Video Channels and one data channel

- 1.Channel 1: It is for school, colleges, Technical, and medical education.
- 2.Channel –II: For live interactive teachings of school, Collegiate, Technical and Medical education. In addition, Agricultural Department, Velugu and Police Department uses for their interactive Video Conference.
- 3.Channel –III: It is dedicated to HRD and Social Sector Programs.
- 4.Channel – IV: For school programs
- 5.Channel – V: It is for JKC's through IEG Institute of Electronic Governance.

**E – Procurement:**

- The main objective of e – procurement is to use the tools of IT to introduce best practices in electronic procurement across Govt.
- It is using since 2003
- It is using by Irrigation Department,
- Roads and Buildings,
- Tribal Welfare Engineering Department,
- Panchyat Raj Engineering Department,
- AP State Police Housing Corporation,
- Public Health Engineering Department,
- HMWS&SB,
- APHB,
- APSRTC,
- AP Forest Development Corporation.
- Total in AP 19 Departments, 28 PSU's, 9 Universities and 104 urban local bodies are using the e – Procurement services.

### **Jawahar Knowledge Centers: (JKCs):**

- It is started in 2004.
- It is started to promote the human resource.
- It is run by Institute of Electronic Governance (IEG), a society under IT & C (Information Technology and Communication) department and coordination with IT Industry and Government.
- JKC are established in reputed engineering colleges across the state to increase the standards of higher education.
- JKC are providing "Learning by doing", along with "Learning by listening".
- 295 Engineering Colleges have registered under JKC during the year 2007-08 and 22,915 students have registered.

### **Rajiv Internet Village (RAJIV):**

- This programme launched in August 1, 2005 at Chiluvuru in Duggirala Mandal of Guntur District.
- This programme launched to bring Govt Services or benefits closer to the people living in villages and rural areas to achieve the following three major components.
  1. Rural kiosks – Convenient access to information and services to rural villages.
  2. Rural Network – Connectivity to rural areas with high bandwidth.
- By the end of March, 2007 total 950 Rajiv Internet villages are there
- BEL is planning to start 5,550 internet villages in 14 districts.

### **AP Broadband Network:**

- It is started in 2005 with a view to connect all government offices across the state.
- Govt have entered into agreement with association led by M/s. Akash Broad Band Ltd,
- It is selected through bid process to provide Broad Band services to 40, 000 offices spread over the state.

### **Bio Technology:**

- Total 100 Bio – technology companies are there by Nov 2006.
- Genome Valley Bio- Technology park is the first bio tech park in the country, which is developed in 2006 in Raga Reddy districts in 600 acres.
- More than 14 international Companies started research in Genome Valley.
- And some important Indian Pharma companies also started research in this city. These are
  1. Shantha Biotech Limited Company
  2. Bharath Biotech Limited
  3. Biological Evans Limited
  4. GVK Bio science
  5. Dr. Reddy's Laboratories
- AP Govt introduced Bio – Tech policy in 2001.
- In 2003, AP Govt taken the best award of Bio Tech.

### **Horticulture Industry**

- In 1982 Horticulture Department is separated from Agriculture Department.
- It is contributing around 4% GSDP
- It is 20 % in Agriculture sector

#### Horticulture Crops in 2006-07

Crop	Area (Hectors)	Production (MT)
Fruits	818068	10495988
Plantation Crops	364877	441670
Vegetables	230612	3793709
Spices	319879	1088081
Tuber Crops (Dumpa Pantalu)	20821	416420
Flowers	21664	11630.86

Medicinal and Aromatic Plants	9138	13123
Total	17,85,059	1,63,65,294.86

AP is 1<sup>st</sup> in area wise and 2<sup>nd</sup> in production wise of fruits

AP is 1<sup>st</sup> in production and 3<sup>rd</sup> in area under total spices.

AP is the 1<sup>st</sup> ranks in production of citrus, papaya, chilies and oil palm

AP is 2<sup>nd</sup> ranks in production of Mango, Coriander

AP is 4<sup>th</sup> ranks in sapota, onion and tomato.

AP is 5<sup>th</sup> ranks in banana, grapes and guava

SREE MEDIA & COMMUNICATIONS