

Andhra Pradesh Economy

By

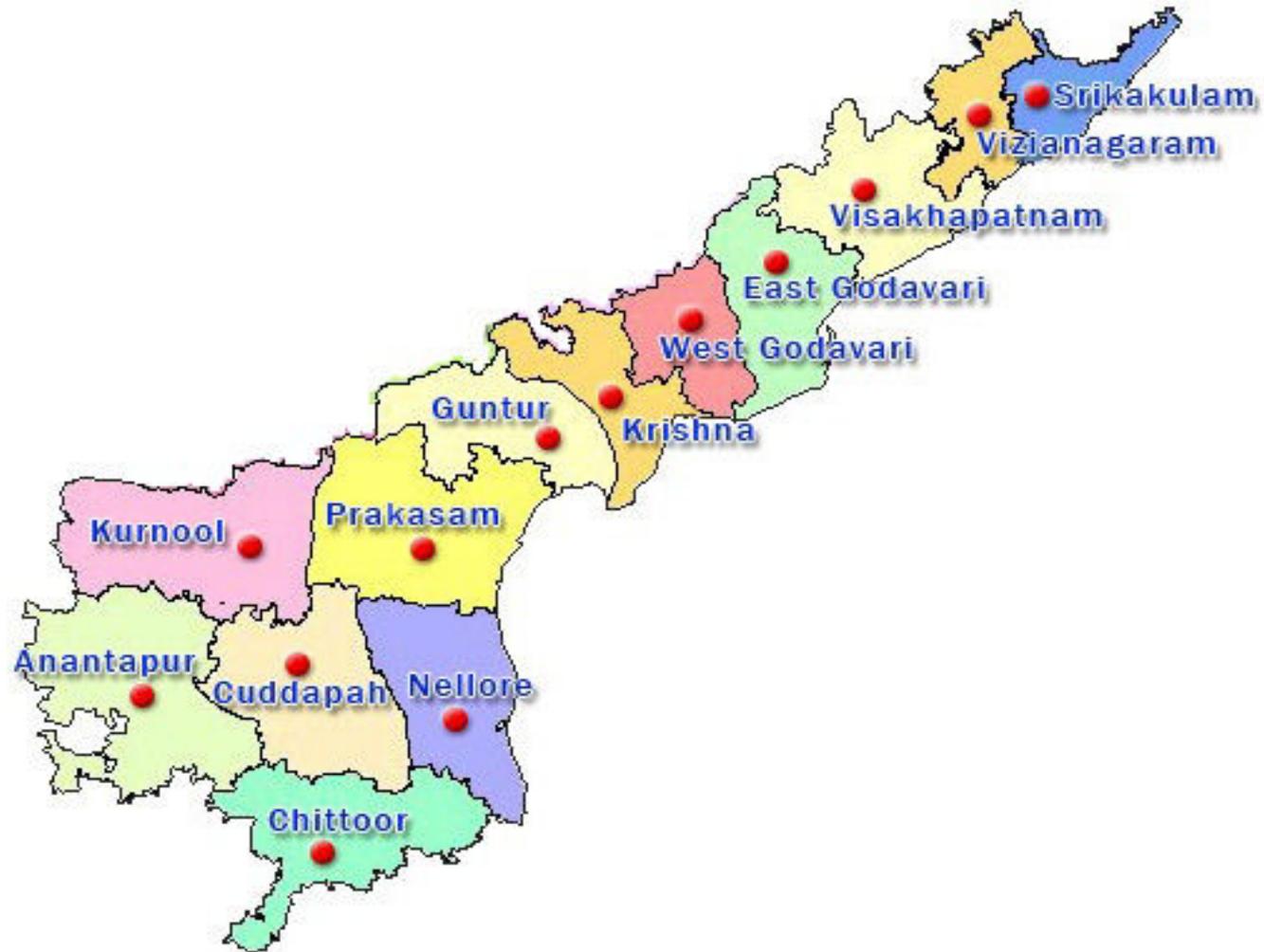
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Andhra Pradesh State



Structure of the presentation

- Meaning of Economy
- Structure of the A.P. Economy
- Basic Concepts of National Income and State Income
- Sectoral Contribution of GSDP of A.P. Economy
- Sectoral Contribution of NSDP of A.P. Economy.
- Basic Population Statistics of A.P.
- Present Status of the AP Economy w.r.t some important aspects.

Meaning of Economy

- The relationship between production, trade and the supply of money in particular county or region.
- The state of a county or region in terms of the production and consumption of goods and services and the supply of money.

Structure of the Economy of A.P.

- Primary Sector
Agriculture and its allied activities
- Secondary Sector
trade and manufacturing activities
- Tertiary Sector
Service Activities

Basic Concepts of National Income

- GDP
- NDP
- Percapita Income

- GSDP
- NSDP
- Percapita Income

- Growth and Development

TABLE- 13.1
GROSS VALUE ADDED (GVA) AND GROSS STATE DOMESTIC PRODUCT (GSDP) BY ECONOMIC ACTIVITY OF
ANDHRA PRADESH AT CURRENT PRICES (NEW BASE 2011-12) FROM YEARS 2011-12 TO 2016-17 (A.E)

(` in Crores)

Sl. No.	INDUSTRY	GSDP at Current prices					
		2011-12	2012-13	2013-14 (TRE)	2014-15 (SRE)	2015-16 (FRE)	2016-17 (AE)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture, Live Stock, Forestry & Fishing						
1.1	Agriculture	52,041	61,230	71,147	78,935	86,443	97,171
	a)Agriculture	29,782	36,743	39,269	40,724	41,541	44,682
	b)Horticulture	22,259	24,488	31,878	38,212	44,902	52,489
1.2	Live stock	27,588	33,584	36,430	43,091	51,555	59,796
1.3	Forestry & Logging	2,503	2,530	2,805	3,462	3,406	3,355
1.4	Fishing and Aquaculture	11,877	14,519	18,573	22,707	31,864	43,538
	AGRICULTURE SECTOR	94,008	1,11,864	1,28,956	148,194	1,73,267	2,03,860
2	Mining & Quarrying	14,162	14,590	14,192	14,843	16,331	17,576
3	Manufacturing	50,706	42,377	42,423	46,723	50,787	57,408
4	Electricity, Gas, Water Supply & Other utility services	10,765	7,130	10,141	11,517	12,519	12,989
5	Construction	37,026	37,590	40,651	46,649	49,862	54,677
	INDUSTRY SECTOR	1,12,660	1,01,687	1,07,408	1,19,732	1,29,499	1,42,651
6	Trade, Repairs, Hotel & Restaurants	26,736	31,792	37,849	42,334	45,777	51,746
7	Transport, Storage & Communications						
7.1	Railways	2,643	3,037	3,345	4,242	4,366	4,454
7.2	Transport by Other means & Storage	24,470	28,536	32,353	37,241	42,761	49,913
7.3	Communications	5,402	6,214	7,960	9,288	10,935	13,296
8	Financing, Insurance, Real estate & Prof. Services						
8.1	Banking & Insurance	14,256	15,843	17,105	19,009	21,255	24,154
8.2	Real estate, O' ship of Dwellings & Prof. services	28,338	34,341	38,973	44,054	50,923	59,424
9	Community, Social & Personal Services						
9.1	Public Admn. & Defence	13,938	15,524	17,390	22,009	25,949	30,397
9.2	Other Services	27,304	30,639	35,383	42,154	52,486	61,802
	SERVICES SECTOR	1,43,086	1,65,925	1,90,359	2,20,331	2,54,452	2,95,186
	GROSS VALUE ADDED (GVA)	3,49,753	3,79,477	4,26,722	4,88,257	5,57,219	6,41,697
	GROSS STATE DOMESTIC PRODUCT (GSDP)	3,79,402	4,11,404	4,64,272	5,26,470	6,09,934	6,99,307

(TRE): Third Revised Estimates, (SRE): Second Revised Estimates, (FRE): First Revised Estimates, (A.E): Advanced Estimate
 Source: Directorate of Economics and Statistics, Andhra Pradesh, Vijayawada.

TABLE- 13.3
NET STATE DOMESTIC PRODUCT (NSDP) AND PER CAPITA INCOME (PCI) BY ECONOMIC ACTIVITY OF
ANDHRA PRADESH AT CURRENT PRICES (NEW BASE 2011-12) FROM YEARS 2011-12 TO 2016-17(A.E)

[in Crores)

Sl. No.	INDUSTRY	NSDP at Current prices					
		2011-12	2012-13	2013-14 (TRE)	2014-15 (SRE)	2015-16 (FRE)	2016-17 (AE)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Agriculture, Live Stock, Forestry & Fishing						
1.1	Agriculture	47,694	56,208	65,242	72,488	79,382	89,234
	a)Agriculture	27,294	33,729	36,010	37,397	38,148	41,032
	b)Horticulture	20,400	22,479	29,232	35,090	41,234	48,201
1.2	Live stock	27,228	33,147	35,947	42,558	50,917	59,056
1.3	Forestry & Logging	2,476	2,502	2,774	3,422	3,367	3,317
1.4	Fishing and Aquaculture	10,481	12,938	16,616	20,444	26,687	39,198
	AGRICULTURE SECTOR	87,878	1,04,794	1,20,579	1,38,912	1,62,353	1,90,804
2	Mining & Quarrying	12,433	12,796	11,174	12,315	13,550	14,582
3	Manufacturing	39,692	32,279	30,072	33,511	36,426	41,175
4	Electricity, Gas, Water Supply & Other utility services	7,666	4,466	6,717	8,209	8,923	9,258
5	Construction	35,316	35,641	38,187	43,922	46,947	51,481
	INDUSTRY SECTOR	95,107	85,181	86,150	97,957	1,05,846	1,16,496
6	Trade, Repairs, Hotel & Restaurants	25,090	29,766	35,323	39,607	42755	48330
7	Transport, Storage & Communications						
7.1	Railways	2,120	2,466	2,663	3,412	3,512	3,582
7.2	Transport by Other means & Storage	21,826	25,695	28,767	33,658	38,648	45,192
7.3	Communications	4,407	5,122	6,056	6,473	7,619	9,264
8	Financing, Insurance, Real estate & Prof. Services						
8.1	Banking & Insurance	14,031	15,562	16,808	18,659	20,864	23,710
8.2	Real estate, O'ship of Dwellings & Prof. services	24,622	29,942	33,602	37,979	43,901	46,713
9	Community, Social & Personal Services						
9.1	Public Admn. & Defence	10,959	12,287	13,821	16,750	19,749	23,134
9.2	Other Services	24,306	27,454	31,844	38,291	47,677	56,139
	Services Sector	1,27,361	1,48,294	1,68,885	1,94,827	2,24,724	2,56,064
	NET VALUE ADDED (NVA)	3,10,347	3,38,269	3,75,614	4,31,696	4,92,923	5,63,364
	NET STATE DOMESTIC PRODUCT (NSDP)	3,39,996	3,70,196	4,13,164	4,69,909	5,45,638	6,20,974
	POPULATION('000)	49,275	49,566	49,857	50,151	50,446	50,743
	PER CAPITA (IN Rs.)	69,000	74,688	82,870	93,699	1,08,163	1,22,376

(TRE): Third Revised Estimates, (SRE): Second Revised Estimates, (FRE): First Revised Estimates, (A.E): Advance Estimates

Source: Directorate of Economics and Statistics, Andhra Pradesh, Vijayawada.

TABLE- 1.1
POPULATION CHARACTERISTICS - ANDHRA PRADESH

Sl.No.	Item	Unit	1971	1981	1991	2001	2011
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Population						
	(a) Total	Lakhs	276.85	333.69	404.19	453.97	495.77
	(b) Male	Lakhs	139.74	168.7	204.59	228.95	248.3
	(c) Female	Lakhs	137.11	164.99	199.6	225.02	247.47
	(d) Rural	Lakhs	226.04	259.8	304.06	344.41	349.67
	(e) Urban	Lakhs	50.81	73.89	100.13	109.56	146.1
2	Urban Population as a percentage of Total Population	Percentage	18.35	22.14	24.77	24.13	29.47
3	Sex Ratio	Females per 1,000 males	981	978	976	983	997
4	Density of Population	Persons per sq.km.	171	208	252	279	304
5	Growth Rate over the previous Census	Percentage	18.88	20.53	21.33	11.89	9.21
6	No. of Households						
	(a) Total	Lakhs	57.52	70.17	88.29	105.21	127.19
	(b) Rural	Lakhs	47	54.82	66.89	80.78	90.65
	(c) Urban	Lakhs	10.51	15.35	21.4	24.43	36.54
7	Household Size						
	(a) Total	No.	5	5	5	4	4
	(b) Rural	No.	5	5	5	4	4
	(c) Urban	No.	5	5	5	4	4
8	Child Population (0-6 Years)						
	(a) Total	Lakhs	N.A	60.3	64.19	58.23	52.44
	(b) Male	Lakhs	N.A	30.05	32.54	29.65	26.97
	(c) Female	Lakhs	N.A	30.25	31.65	28.58	25.47
9	(a) Scheduled Caste Population	Lakhs	32.73	46.69	63.19	74.52	84.69
	(b) Scheduled Caste Population as a percentage of Total Population	Percentage	11.82	13.99	15.63	16.42	17.08
10	(a) Scheduled Tribes Population	Lakhs	12.15	15.23	19.6	23.73	27.4
	(b) Scheduled Tribes Population as a percentage of Total Population	Percentage	4.39	4.56	4.85	5.23	5.53
11	(a) Literates- Total	Lakhs	74.15	106.89	155.91	245.62	298.6
	(b) Literates- Males	Lakhs	49.62	69.66	97.25	142.06	165.5
	(c) Literates- Females	Lakhs	24.53	37.23	58.66	103.56	133.1
12	(a) Literacy Rate- Total	Percentage	N.A	30.17	45.86	62.07	67.35
	(b) Literacy Rate- Males	Percentage	N.A	41.87	56.53	71.28	74.77
	(c) Literacy Rate-Females	Percentage	N.A	17.97	34.92	52.72	59.96

Note: Data includes merged villages of Khammam except for Census 1971, 1981 & 1991

@ Including Marginal Workers; NA: Not available

Source: Director of Census Operations, Andhra Pradesh, Hyderabad.

Economic Growth

- The growth performance of the state in the recent past is most impressive with the average growth during the last three years as 11%. The Per capita incomes have also shown substantial jump from Rs.107276 in 2015-16 to Rs.142054 in 2017-18.
- Thus, every year, on an average, nearly Rs. 12,000 are being added to the per capita, while the average annual increase of State Per Capita during three years before state re-organization was around Rs. 6500 only. Despite impressive rise in the growth performance, the fruits of growth and development are not fully percolating down to the last mile. Recognizing this, the state government has initiated steps to resolve issues that are hindering the inclusiveness, setting right the inequalities.

Education

- In order to improve school education and learning outcomes in government schools, government is keen to rollout the 'Municipal school model', which in the recent past has shown improvement in strength as well as standards.
- Similarly, conversion of Hostels to Residential Schools also yielded good results. Strengthening this set up further and to improve nutrition-intake, the government is committed to increase in diet charges.
- The government is moving with saturation approach for primary education enrolment, infrastructure and learning outcomes as a foundation for lifelong learning. 2358 digital classrooms are proposed to be set up in 2017-18. Virtual classroom and internet connectivity is provided to 3500 schools. Physical literacy is encouraged in schools for all classes.

Sectoral Growth

Primary Sector

- Promoting diversification into horticulture and livestock for sustained income and drought resilience and is proactively promoting agriculture produce processing and value addition for better returns to farmer are our focus. We are focusing on improvement in production of milk, meat and egg under livestock sector to ensure earnings of Rs.10,000 income per month to every household.

Fishery Sector

- Growth in Fisheries sector has been very good in the recent past. The sector contributes 6.4% to GSDP, provides employment to about 14.5 lakh people, and contributed Rs.17000 Crores from sea food export during 2016-17. AP Ranks 1st in total fish and shrimp production by producing more than 70% of cultured shrimp in the country. AP State envisions to become 'Aquaculture hub' by investing in processing capacity and export. However, expansion is reaching saturation in fisheries sector and pollution issues need to be tackled effectively. Separate zone for saline lands, conversion of delta to hatcheries in WG dist., deep sea fishing to be encouraged by providing few deep sea fishing vessels in the Tamil Nadu model.

Manufacturing Sector

- Building on the success in Agriculture sector, government is keen to improve the industry sector. Near saturation in Primary sector to be compensated by manufacturing sector. Stagnant growth in industries sector is a concern. Manufacturing is the need of the hour and improving the growth and contribution, especially in the low skill labour intensive industries and MSMEs, is the focus. Government to focus on putting in necessary infrastructure in place and create an enabling environment.

Service Sector

- Service sector as a major GVA contributor and employment provider in organized sector requires additional focus. Construction sector is expected to pick up and especially in the light of huge public investment to a tune of Rs. 2000 crore.
- Urban housing is yet another key area and with Economic cities – walk to work with plug and play being set up. The construction sector with increased demand for cement, steel is set to create more jobs. However, Real estate sector is yet to fully pickup with the adverse impact of GST and demonetization slowly fading away.

IT Sector

- IT is a promising sector with exports and job creation. Tourism has an abundant scope for adding more GVA and more jobs and identification of tourist places is to be done. Five star hotels in Tirupati and Visakhapatnam would boost the prospects.
- Government is willing to allot land at concessional rates to attract investors. Urbanization as a growth enabler has a positive impact on growth. Lack of big cities in the state resulting in lesser PCI as States with higher urban population and major cities have higher PCIs. Asset formation not promising and it is time, the credit plans to move from routine renewals to productive assets.

Public Finance

- The revenue for the state in FY 2016-17 stood at Rs.44,181 Crores from Own Tax sources, Rs.3,989 Crores from Own Non Tax sources and Rs.49,292 Crores of Central Transfer. The total Own Tax Revenue was Rs.44,181 Crores in FY 2016-17 and Rs.52,717 Crores in FY 2017-18 (RE).

- The Sales Tax accounted for 62 percent of the State's Own Tax Revenue for FY 2017-18 RE. After introduction of GST by Government of India, a provision of Rs.4,426 crores under SGST and Rs.1,000 crores towards Compensation due to loss of Sales Tax for 2017-18 RE.
- State's Own Non Tax Revenue was Rs.3,989 Crores in the FY 2016-17 and was Rs.5,347 Crores in FY 2017-18 (RE). Resource flow from the Centre was Rs.49,292 Crores in the FY 2016-17 and was Rs.66,837 Crores in FY 2017-18 (RE).
- The Total Expenditure by the State excluding ways and means advance was Rs.1,31,923 Crores in the FY 2016-17 and was Rs.1,51,297 Crores in FY 2017-18 (RE). The revenue expenditure was Rs.1,16,178 Crores in the FY 2016-17 and was Rs.1,27,272 Crores in FY 2017-18 (RE).

- It is important to mention that in its strive to build a developed Andhra Pradesh, the state spent Rs.15,181 Crores on its Capital Outlay in FY 2016-17. This was mainly spent on capital works like irrigation, roads and infrastructure. Revenue expenditure through welfare schemes like subsidy rice, power subsidy, pavala vaddi, old age pensions, housing programs etc.

- The Total Debt by the State was Rs. 2,01,314 Crores at the end of the FY 2016-17 and was Rs.2,25,234 Crores at the end of FY 2017-18 (RE). In the FY 2016-17, Andhra Pradesh faced a Revenue Deficit of Rs.17,193 Crores and a Fiscal Deficit of Rs.30,908 Crores.
- Due to focused and planned management of the state's finances, these deficit numbers could be brought down to Rs.4,018 crores and Rs.27,603 crores for the Revenue deficits and Fiscal deficits respectively for the year 2017-18 (RE).

Thank You