

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 6th place in the country after Maharastra (1), UP (2), Punjab (3), Haryana (4) TN (5).
- In case of number wise AP is 3rd 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 sick ness
- Private sector sick ness
- 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 sick ness UP is the 1st 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 backward 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 to 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 compared to Maharashtra and Tamil Nadu.
 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 and managements.
 9. The failures of District industrial corporations and Govt Programmes
- According to Central Govt reporting 2004 there are 3 causes in AP for Small Scale Sick industries.
 1. Economic causes (35%)
 2. Disputes between Labours and 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.Leaner 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.

1st 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.

2nd 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

3rd 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

4th 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

5th 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

6th 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)

7th 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 it share is 40% of total production in India.
- By November 2006, total 650 Pharmaceutical companies are there. Out 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 14th
- November 14th is Nehru Birth day and he was the pioneer of the co-operative.
- During the year 2007-08 the 54th All India Co-operative Week was celebrated from 14th November to 20th November 2007.
- Co-operative week is being celebrated every year starting from November 14th 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 NCDL 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 26th 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
- 2nd place in Guntur district
- 3rd 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 chathurbhuj).

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.) (15th 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 far 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 2nd October 2005 to bring down the number of accidents.

Tax Revenue from Motor Vehicle

Year	Tax Revenue (In Crore)
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 1st 1951 Separate department started in Hyderabad state.
- According APSRTC Act of 1951 since January 11th, 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 31st October, 1999.
- APSRTC entered in the Limca Book of Records in the year 2000.
- By the end of 1st 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 9th zone.
- AP is the 5th place in railway network

1ST Place is UP

2nd place is Rajasthan

3rd place is Maharastra

4th Place is Gujarat

5th 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 6th 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
- Lengthiest 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 employes.
- 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 4th position in national level
 - 1.1st place is Delhi-Gurgoan area
 - 2.2nd place Karnataka
 - 3.3rd place Maharastra
 - 4.4th 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
- 1st phase:
- Cyber Towers 1st 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 1st in area wise and 2nd in production wise of fruits

AP is 1st in production and 3rd in area under total spices.

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

AP is 2nd ranks in production of Mango, Coriander

AP is 4th ranks in sapota, onion and tomato.

AP is 5th ranks in banana, grapes and guava