

# Electronics Industry in Andhra Pradesh

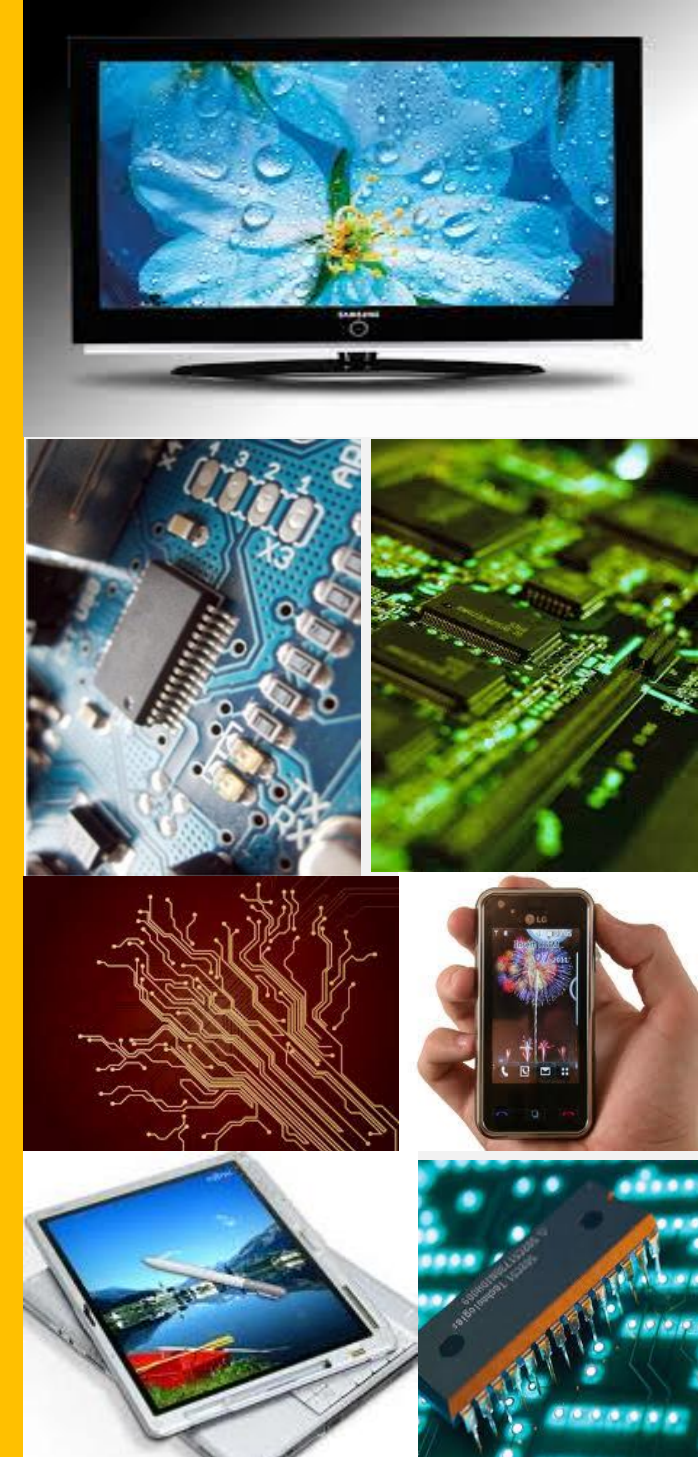
Presentation:

Joint Working Group Meeting  
India - Japan

November 13, 2013



ITE&C Department, Government of Andhra Pradesh



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**Overview of AP**

**Electronics Industry in Andhra Pradesh**

**Policy Incentives and Strategies – Electronic Hardware Policy 2012-17**

**EMCs**

**Advantage AP**

# Andhra Pradesh – Technology Capital of India



## Andhra Pradesh at a Glance

Capital: Hyderabad

Area: 275,068 sq km i.e. 8% of total area of India

4<sup>th</sup> Largest state in India with 5<sup>th</sup> largest population

Number of Districts: 23

Population: 8.4 crore i.e. 7% of India's population

Urban population: 33.4% of total state population

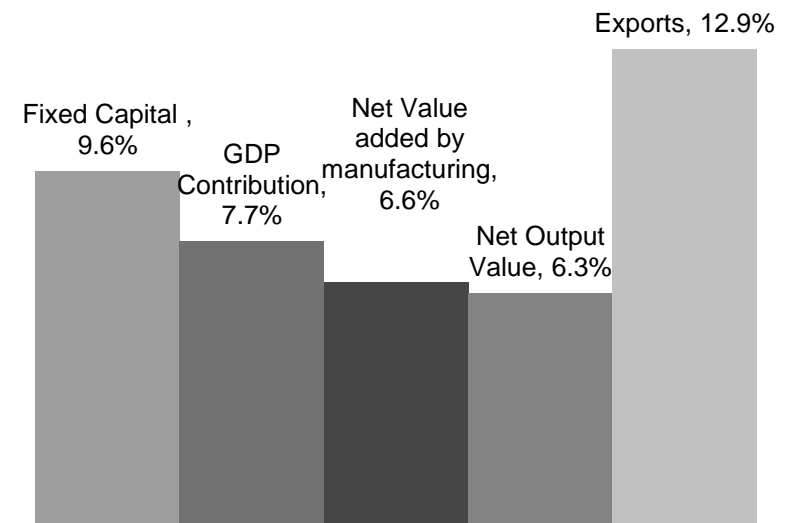
Literacy rate: 67.6% - higher than India Average

Sources: Census of India 2011, Andhra Pradesh Government ([www.aponline.gov.in](http://www.aponline.gov.in))



Andhra Pradesh

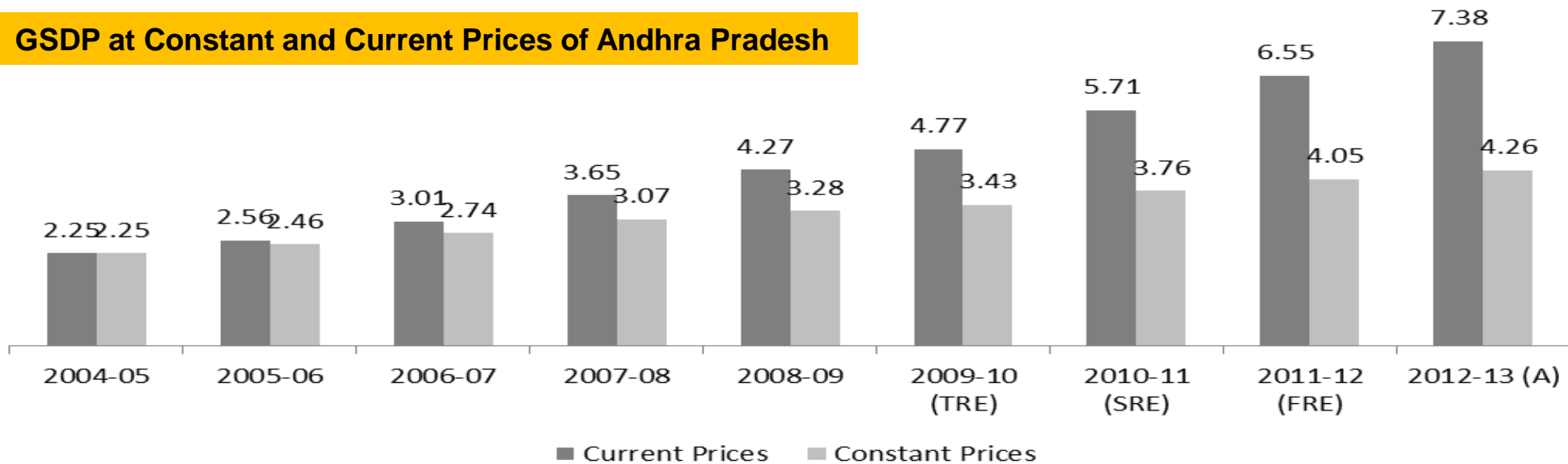
## Share of AP in India



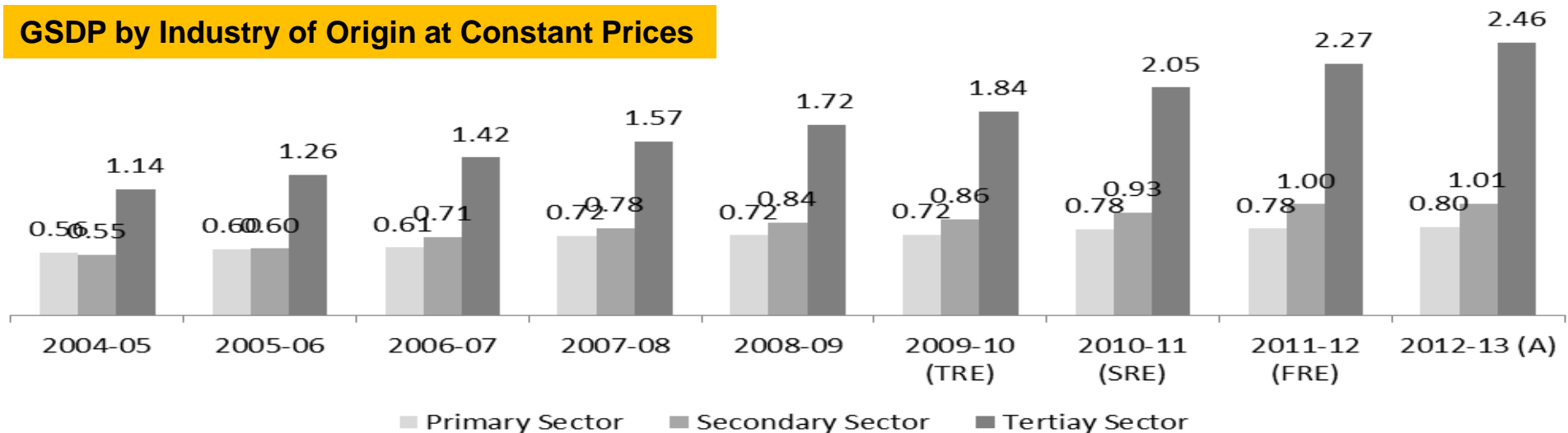
# Andhra Pradesh – Economy



## GSDP at Constant and Current Prices of Andhra Pradesh



## GSDP by Industry of Origin at Constant Prices

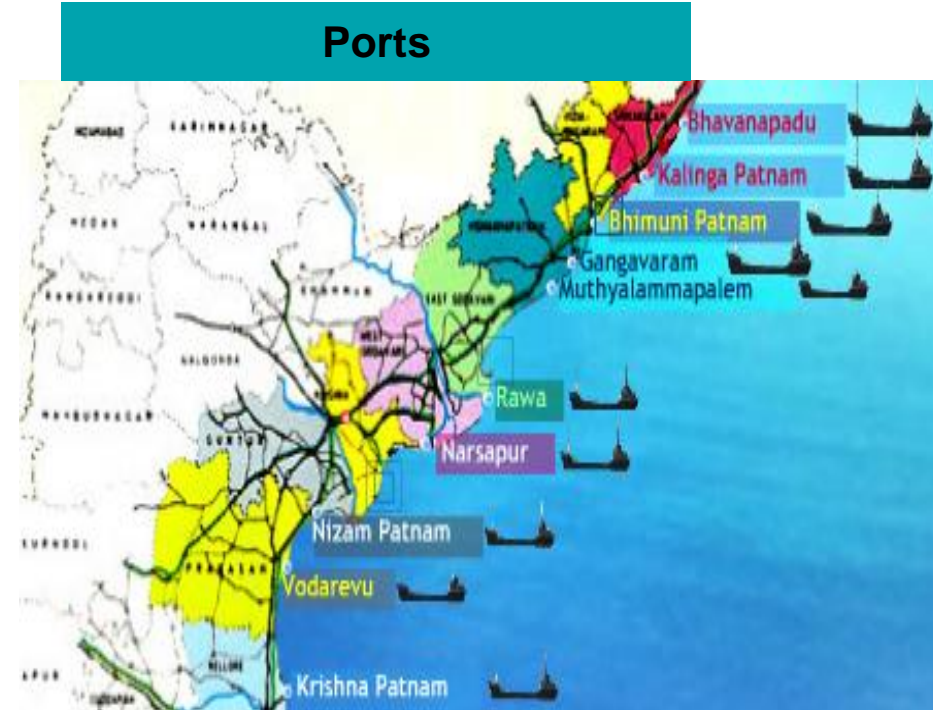
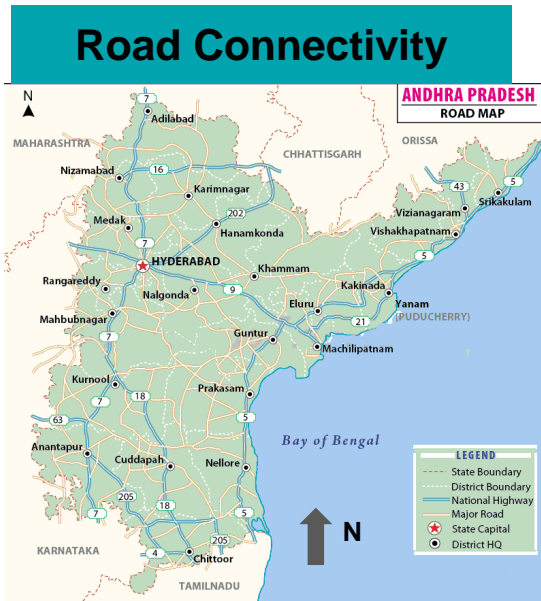


All Figures in INR lac cr, Constant Prices (2004-05)

Source: Statistical Abstract of Andhra Pradesh

TRE – Third Revised Estimate, SRE – Second Revised Estimate, FRE – First Revised Estimate, A – Advance Estimate

# Connectivity



- ▶ 17 National Highways
- ▶ Road length of 70,394 km, AP has road density of 0.86km per thousand of population
- ▶ Rail length – 5,264 km (8.1% of India)

- ▶ 15 intermediate and minor ports

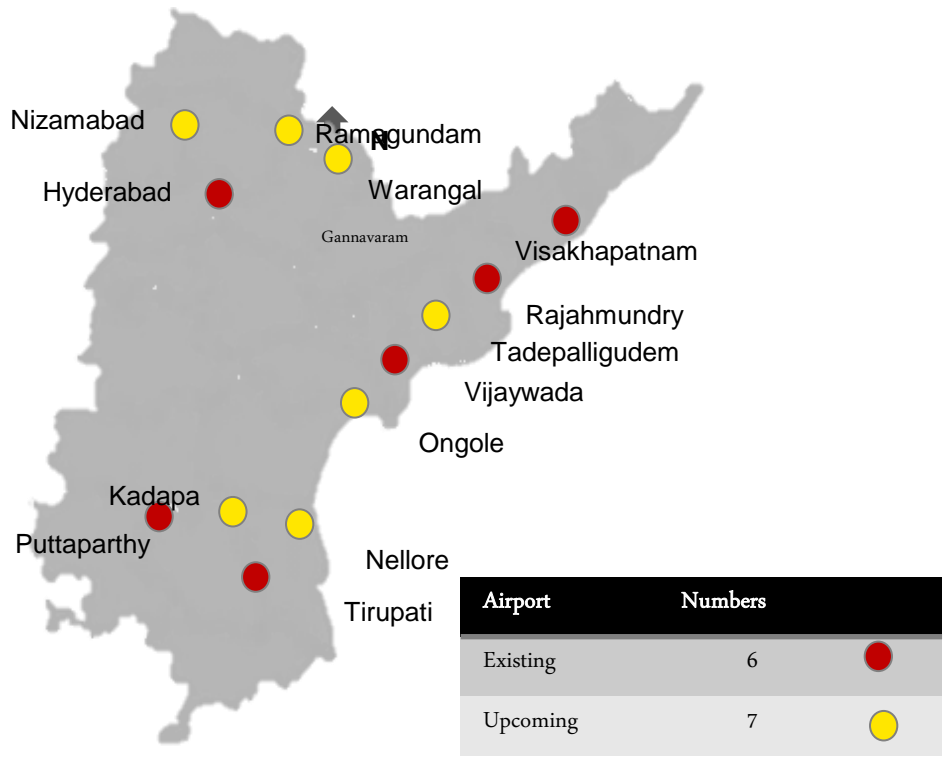
### Visakhapatnam:

- ▶ 2<sup>nd</sup> Highest Cargo handling Port
- ▶ 3<sup>rd</sup> Major Port in the Country
- ▶ Deepest port

# Connectivity



## Airports in Andhra Pradesh



1<sup>st</sup> Greenfield Airport of India: Hyderabad International Airport

Current Capacity: 12 mn passengers/ annum

Up gradation of domestic to international airports: Tirupati and Visakhapatnam

Proposed 7 green field airports in PPP Mode

**International Connectivity:** Amsterdam, Bangkok, Colombo, Singapore, Hong Kong, Doha, Dubai, Frankfurt, Jeddah, Kuala Lumpur, Kuwait, London, Muscat, Riyadh, Sharjah, Beijing, & Tokyo





# Hyderabad – Technology Capital of India

- Highly User Friendly Atmosphere
- FDIs from April 2000 to August 2013 – INR 38,934 cr (USD 8.3 bn)\*
- Key industries across various sectors – Biotech, Pharma, Defense, Aeronautics, Energy, Refineries, Steel
- About INR 14,000 cr (USD 2.3 bn) worth MOUs signed in IT & ITeS sector

## Japanese Companies

- NTT, Toshiba, Hitachi,

## IT & ITeS Majors



## Public Sector Companies



\* Till August 2013 Source: Fact Sheet on Foreign Direct Investment, DIPP



# Electronic Hardware Industry Scenario

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- Attractive destination in the country
- Key electronic manufacturing destination with 300 + electronic companies
- More than 60,000+ Direct employment
- INR 7,200 cr (USD 1.2 bn) production with INR 1,200 cr (USD 200 mn) exports in 2012-13
- 7.5% of Electronic production in the country
- First ever state to announce dedicated Electronic Hardware Policy in the country
- AP aspires to achieve a revenue (domestic & exports) of more than INR 66,682 cr (USD 11.1 bn) and employment of 175,000 by 2017 from EHM (Electronic Hardware Manufacturing)
- AP's Segment Wise Contribution: Instrumentation & Industrial Electronics (25%), Strategic Electronics (33%), Consumer electronics & Telecom (each about 13%), Component Manufacturing (9%) and Computer Hardware (7%)

1 USD = INR 60

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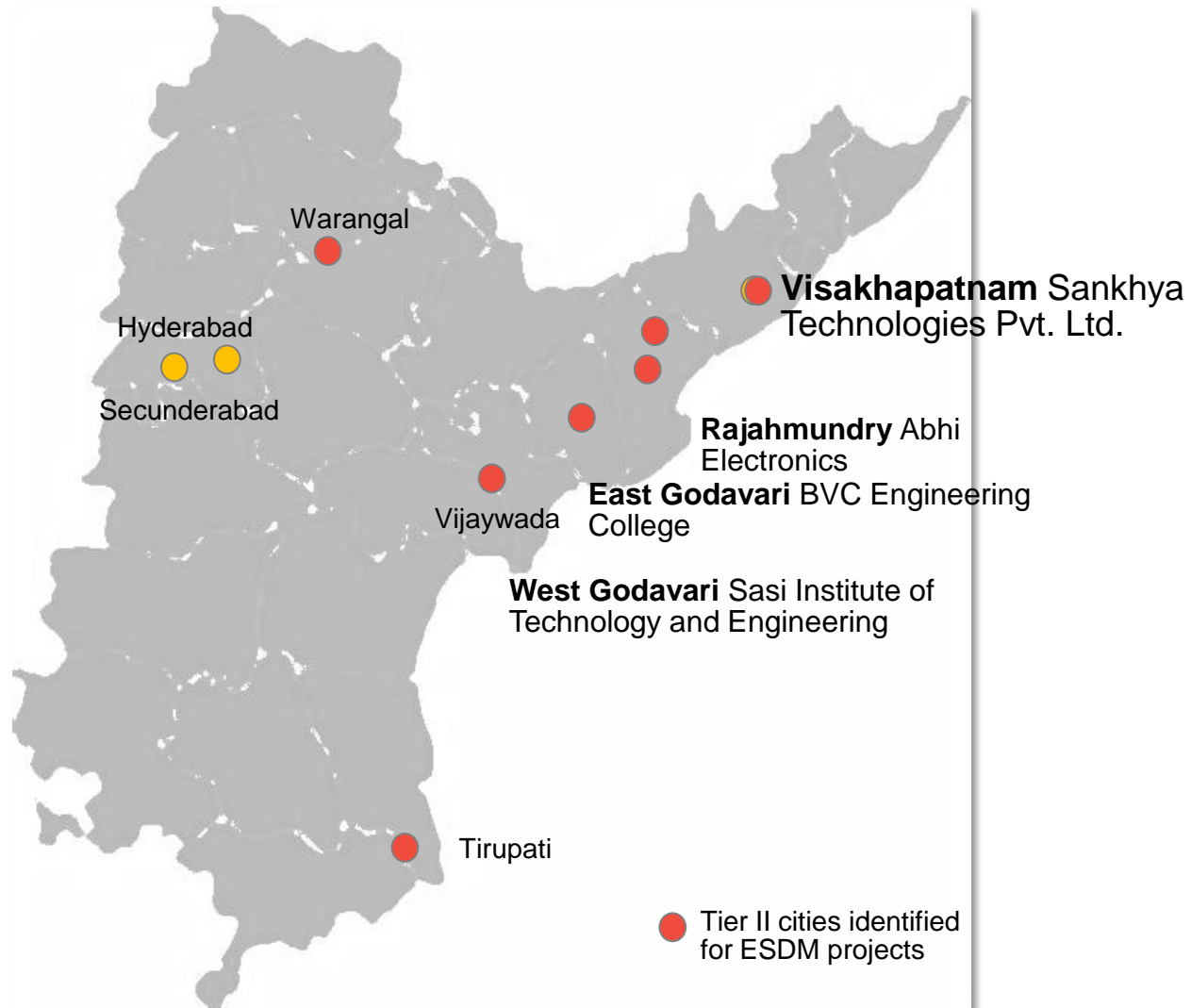


# Electronic Hardware Industry Scenario



## Companies in Hyderabad

- Amara Raja Electronics Ltd.
- Ams Semiconductors India Pvt. Ltd.
- Imagination Technologies
- Infotech Enterprises Ltd.
- KSK Surya Potovoltaic Venture Pvt. Ltd.
- Lanco Solar Pvt. Ltd.
- Mahindra
- Microsemi India Pvt. Ltd.
- MosChip Semiconductor Technology Ltd.
- Posidge Technologies India Pvt. Ltd.
- Seer Akademi Ovt. Ltd.
- Vitesse semiconductor India Pvt. Ltd.
- Xilinx India Technology Services Pvt. Ltd.





# Electronic Hardware Policy – Key Highlights

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- ▶ Single Window mechanism for all State and Central Government clearances (All applications for incentives through “*Meeseva*” – a single window G2C and G2B services)
- ▶ Online Single application for all the incentives/ subsidies related matters to be launched soon
- ▶ State of the Art Amenities – Common Facility Centers, Fibre Optic Network, Incubation Centers, Trade Pavilions, etc.
- ▶ Export Incentives & encouraging “Made in India” products
- ▶ New Electronic Hardware Park with options of SEZ & Non-SEZ zones



# Electronic Hardware Policy – Incentives

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- ▶ Declared as Essential Service under AP Essential Services Maintenance Act
- ▶ Exempt from inspections/ certifications under various acts/rules
- ▶ Uninterrupted Power Supply – >16,000 MW Installed (>20,000 MW in pipeline)
- ▶ 100% Tax reimbursement of VAT/CST
- ▶ 20% Investment subsidy
- ▶ 10% subsidy on capital equipment for technology up gradation
- ▶ 25% subsidy on cleaner/ green production measures
- ▶ 25% rebate in land cost in Industrial estates
- ▶ Admissibility of Industrial Power category tariff



# Electronic Hardware Policy – Incentives

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- ▶ Power subsidy - 50% to Micro, 40% to small & 25% to medium & large scale industry
- ▶ 50% subsidy on the expenses incurred for quality certification and patent registration
- ▶ 50% reimbursement/ grant of cost involved in skill up gradation & training the local manpower
- ▶ INR 15 lac (USD 25,000) as recruitment assistance (Tier II cities) and R&D
- ▶ 25% subsidy on lease rentals in industrial areas
- ▶ Start-ups/ Micro- Recruitment assistance of INR 2.5 lac (USD 4,167), 10% subsidy on new capital equipment, 25% subsidy on lease rentals

1 USD = INR 60

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# Electronic Hardware Policy – Incentives

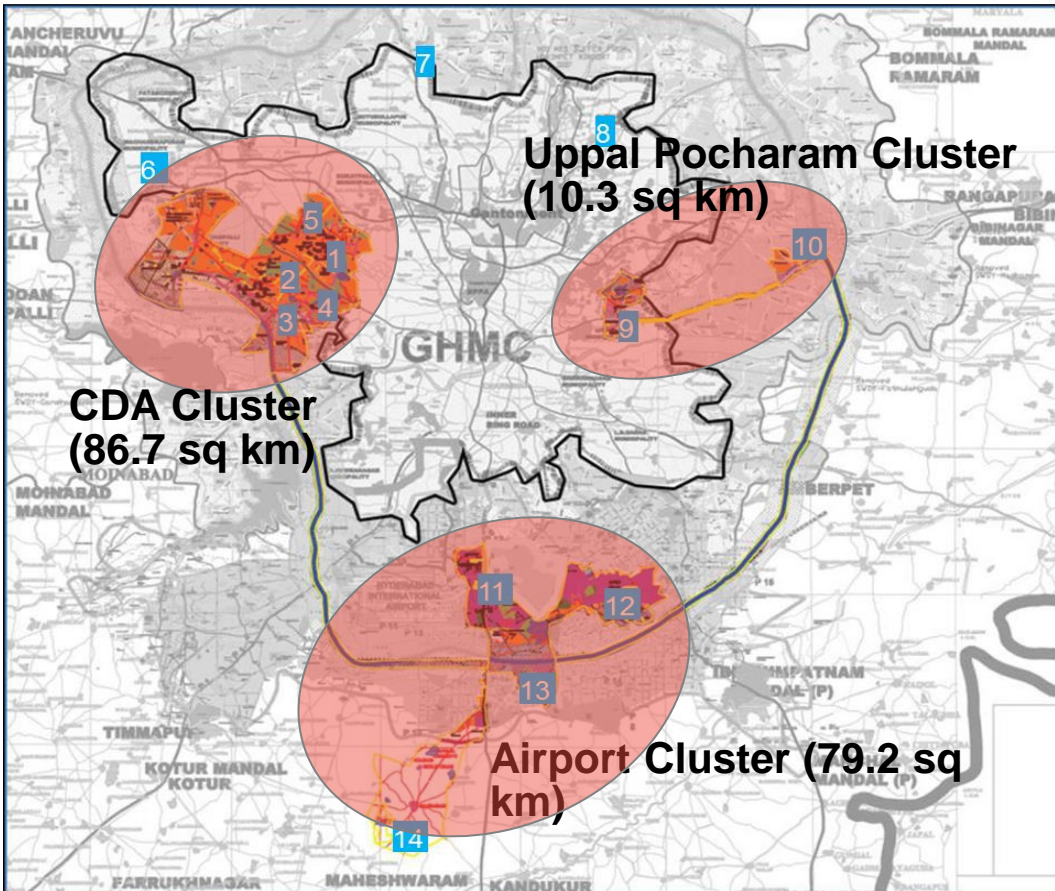
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- ▶ Small & Medium- Recruitment assistance of INR 10 lac (USD 16,667), 10% subsidy on new capital equipment, 25% lease subsidy on lease rentals
- ▶ 3% interest rebate per year for 5 years
- ▶ Reimbursement of stamp duty, transfer duty and Registration fee - 100% on the 1st Transaction & 50% on 2nd transaction (paid on sale/ lease deeds/ mortgages & Hypothecations)
- ▶ Reimbursement/Grant of 50% exhibition subsidy for participating in the national/ international exhibitions
- ▶ Priority Projects – a **special negotiated package**

# Information Technology Investment Region

ITIR - delineated corridor for encouraging Investments in IT/ ITeS/ EHM/ ESDM sectors

IT-ITeS Concentrations in Hyderabad



## Key Highlights of ITIR

- ▶ Area – 202 sq. km. (50,000 acre)
- ▶ Processing area - 82.4 sq. km (41%)
- ▶ Non-processing area - 119.6 sq. km (59%)
- ▶ INR 4,800 cr (USD 800 mn) commitment from Gol for External Infrastructure

### Estimations:

- ▶ Direct Revenues – INR 3,10,849 cr (USD 51.8 bn)
- ▶ IT Investment potential – INR 2,19,440 cr (USD 36.6 bn)
- ▶ IT Exports – INR 2,35,000 cr (USD 39.2 bn)
- ▶ Direct employment – nearly 1.5 mn
- ▶ Indirect employment – nearly 5.3 mn

### Key Locations of ITIR

1. Madhapur	4. Raidurg	7. Bahadurpalli	10. Pocharam	13. Fab City
2. Gachibowli	5. Kondapur	8. Jawahar Nagar	11. Hardware Park	14. Maheshwaram
3. Manikonda / Financial	6. Knowledge Corridor	9. Uppal	12. APIIC Work-centre	



# Electronics Manufacturing Clusters



<b>e-City</b>	<b>602 acre</b>
<b>Maheshwaram</b>	<b>310 acre</b>
<b>Gangavaram</b>	<b>187 acre</b>



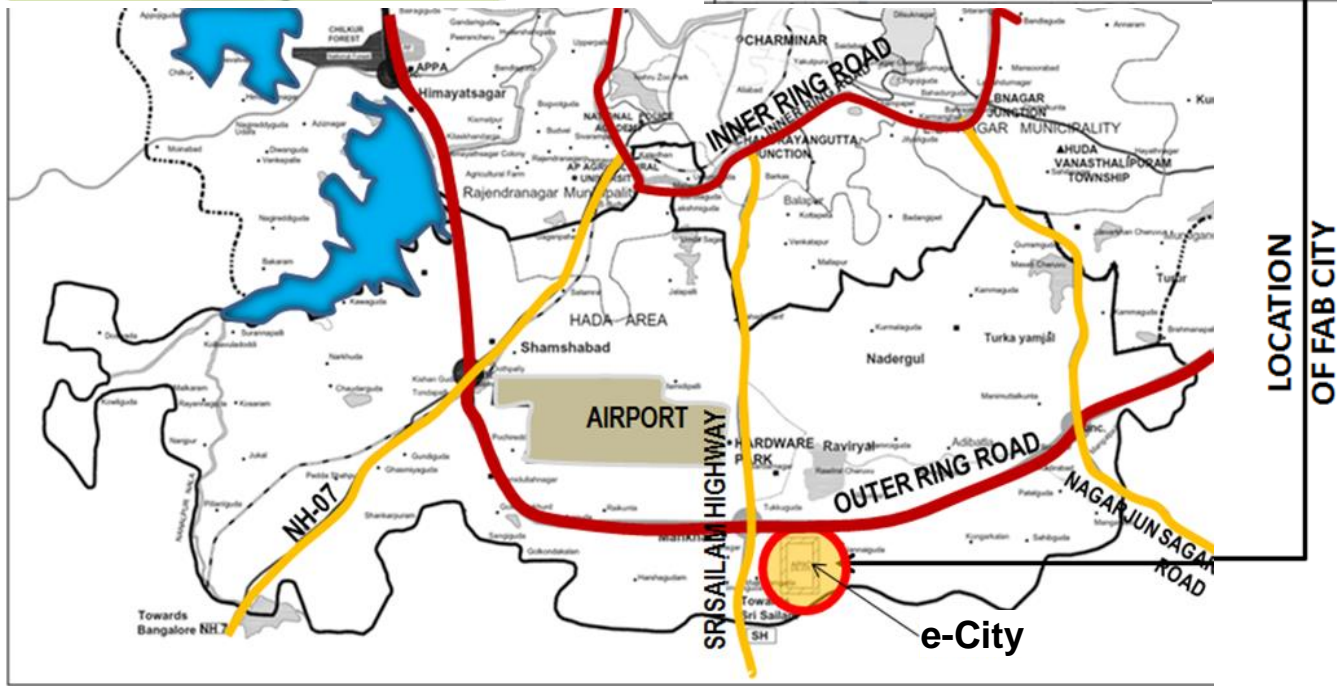
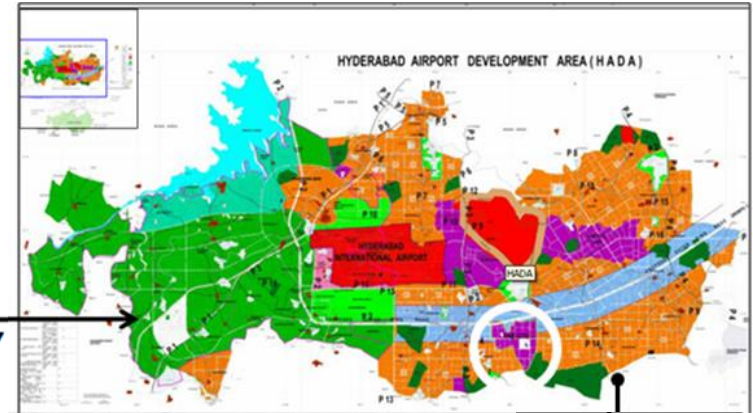
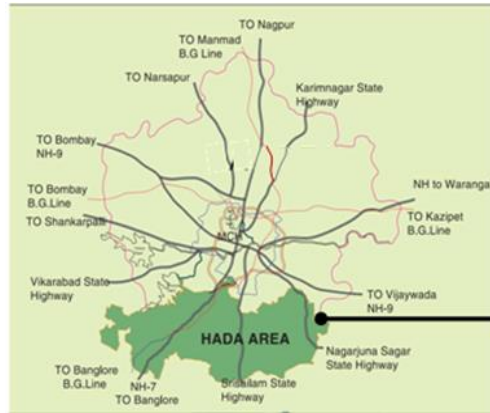
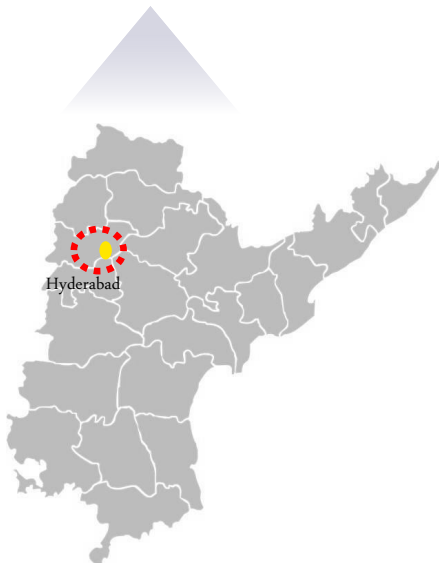
ITE&C Dept., GoAP



# Electronics Manufacturing Clusters



## e-City, Hyderabad





# Electronics Manufacturing Clusters

## e-City, Hyderabad



**Project Cost: INR 580 Cr. (USD 97 mn)**

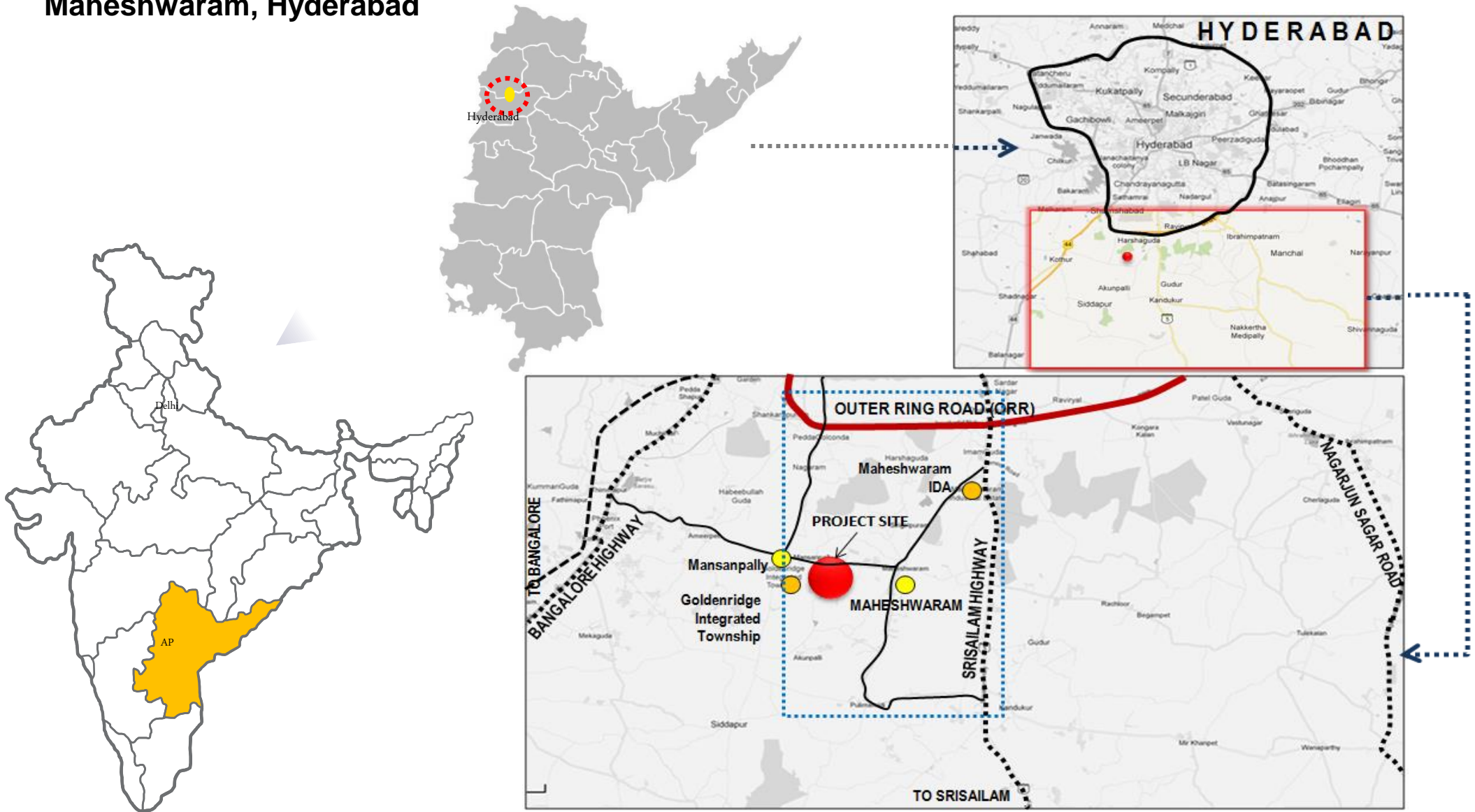
LANDUSE STATEMENT		
PROCESSING AREA		
Landuse	Area (ac)	% of Area
Plotted Development/ Industrial Units	416.05	
Manufacturing Support Units	13.42	
Testing		
Training		
Incubation		
Trade pavilions		
Support Units - CAD/CAM, Tool Room etc		
Road Network	64.81	
Green and Open Spaces	56.08	
Utilities	4.62	
<b>TOTAL - PROCESSING AREA</b>	<b>554.98</b>	<b>92.13%</b>
NON PROCESSING AREA		
Landuse	Area (ac)	% of Area
Welfare services	12.47	
Road Network	7.20	
Green and Open Spaces	24.03	
Utilities/Infrastructure	3.69	
<b>TOTAL - NON PROCESSING</b>	<b>47.40</b>	<b>7.87%</b>
<b>TOTAL AREA</b>	<b>602.37</b>	<b>100%</b>

**Estimated Investments: INR 1,800 cr (USD 300 mn) (~74% is already committed by ELIAP firms)**  
**Employment potential : 35,000 (direct) & 210,000 (indirect)**

# Electronics Manufacturing Clusters

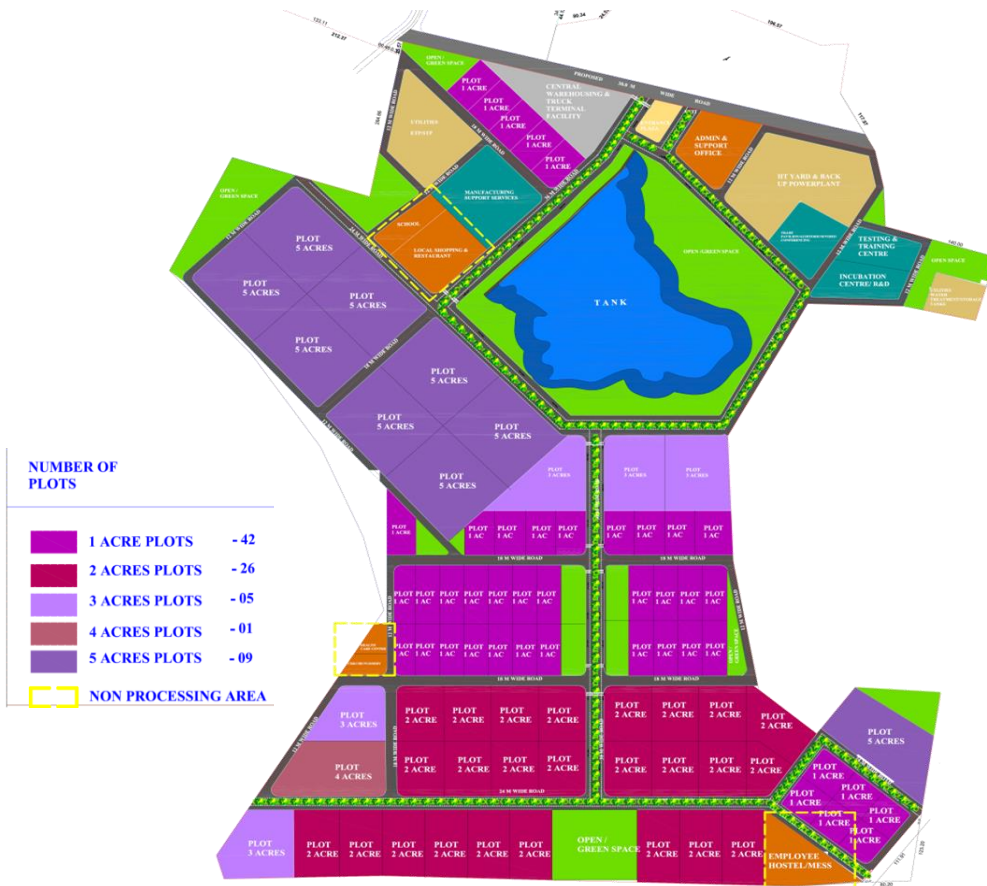


## Maheshwaram, Hyderabad



# Electronics Manufacturing Clusters

## Maheshwaram, Hyderabad



LANDUSE STATEMENT		
PROCESSING AREA		
Land Use	Area (ac)	% of Area
Plotted Development/ Industrial Units	157.26	
Manufacturing Support Units	18.60	
Testing		
Training		
Incubation		
Trade pavilions		
Support Units - CAD/CAM, Tool Room etc		
Road Network	43.81	
Green and Open Spaces	51.19	
Utilities	11.81	
<b>TOTAL - PROCESSING AREA</b>	<b>282.68</b>	<b>91.19%</b>
NON PROCESSING AREA		
Land Use	Area (ac)	% of Area
WELFARE SERVICES	8.35	
Road Network	4.87	
Green and Open Spaces	12.80	
Utilities/Infrastructure	1.31	
<b>TOTAL - NON PROCESSING</b>	<b>27.32</b>	
<b>TOTAL AREA</b>	<b>310.00</b>	<b>100%</b>

**Project Cost: INR 360 cr (USD 60 mn)**

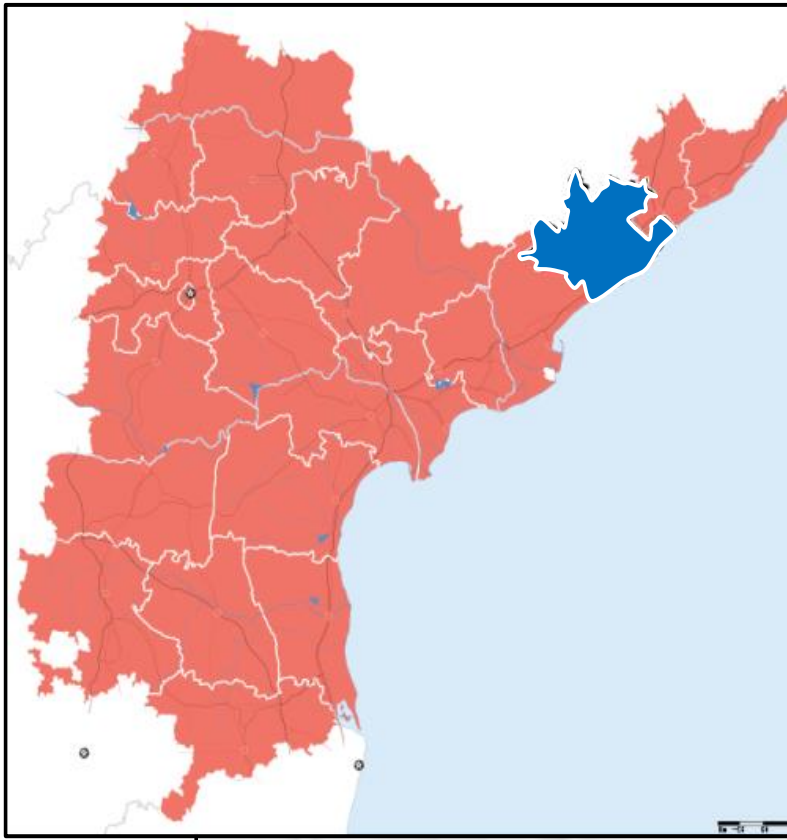
**Estimated Investments: INR 800 cr (USD 133 mn) (GoAP is exploring investments from ELCINA, MAIT & ELIAP)**  
**Employment potential : 14,000 (direct) & 84,000 (indirect)**

# Electronics Manufacturing Clusters



## Gangavaram, Visakhapatnam

Area- 187 acres

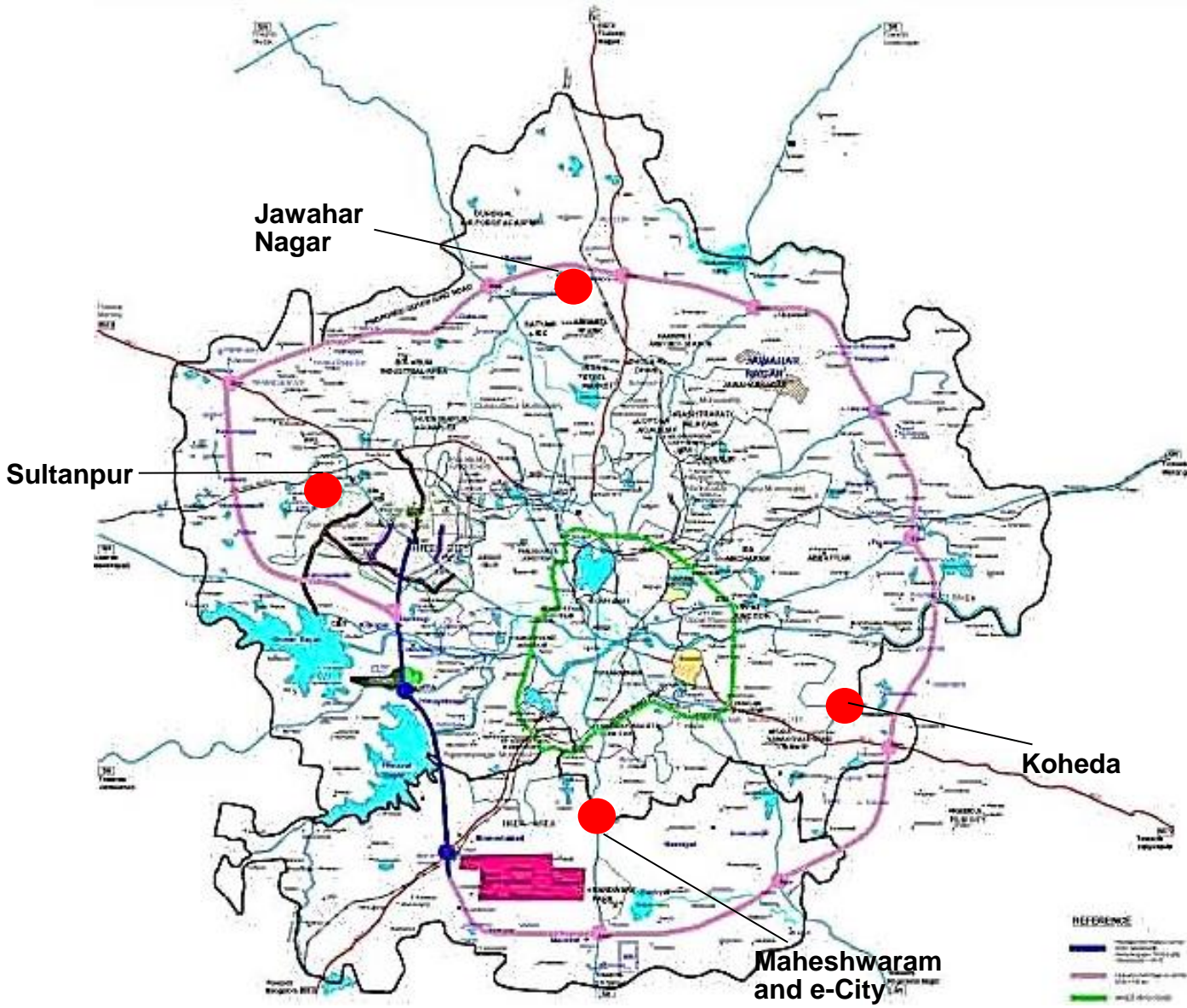


### Salient Features

- ▶ Proximity to one of the major ports of the country
- ▶ Well Connected International Airport
- ▶ NH5 Passing through Visakhapatnam - a part of Golden Quadrilateral
- ▶ Strong Industrial Base
- ▶ 4 km from Duvvada Railway Station
- ▶ In the Vicinity of Visakhapatnam SEZ (VSEZ)
- ▶ EMI/EMC/EMP testing facility planned



# Opportunities



- ❖ Besides e-City and Maheshwaram abundant Government land available
- ❖ Cheapest land cost
- ❖ Metro Rail Connectivity
- ❖ Outer Ring Road Connectivity
- ❖ International Airport
- ❖ IIT, IIIT, BITS, IBS, 7 Universities

Knowledge Pool in Andhra Pradesh		
Discipline	No. of Colleges	No. of Students
Engineering	656	226,870
MCA	703	47,595
MBA	881	59,676
Polytechnic	213	63,075
General Graduates	1,920	448,152

# Lifestyle



From cultural heritages like Charminar to Golconda Fort to Salarjung Museum to Zoological gardens to Hussain sagar Lake Hyderabad is the perfect place for recreation



Hyderabad presents the finest hotels and restaurants in the country with 11 five star hotels like Taj group hotels, The Hyatt, Marriott etc.



There are about 50 odd shopping malls and complexes in the city offering a wide variety of world renown brands



There are 5 small and big golf courses in addition to a variety of sports and fitness clubs in the city



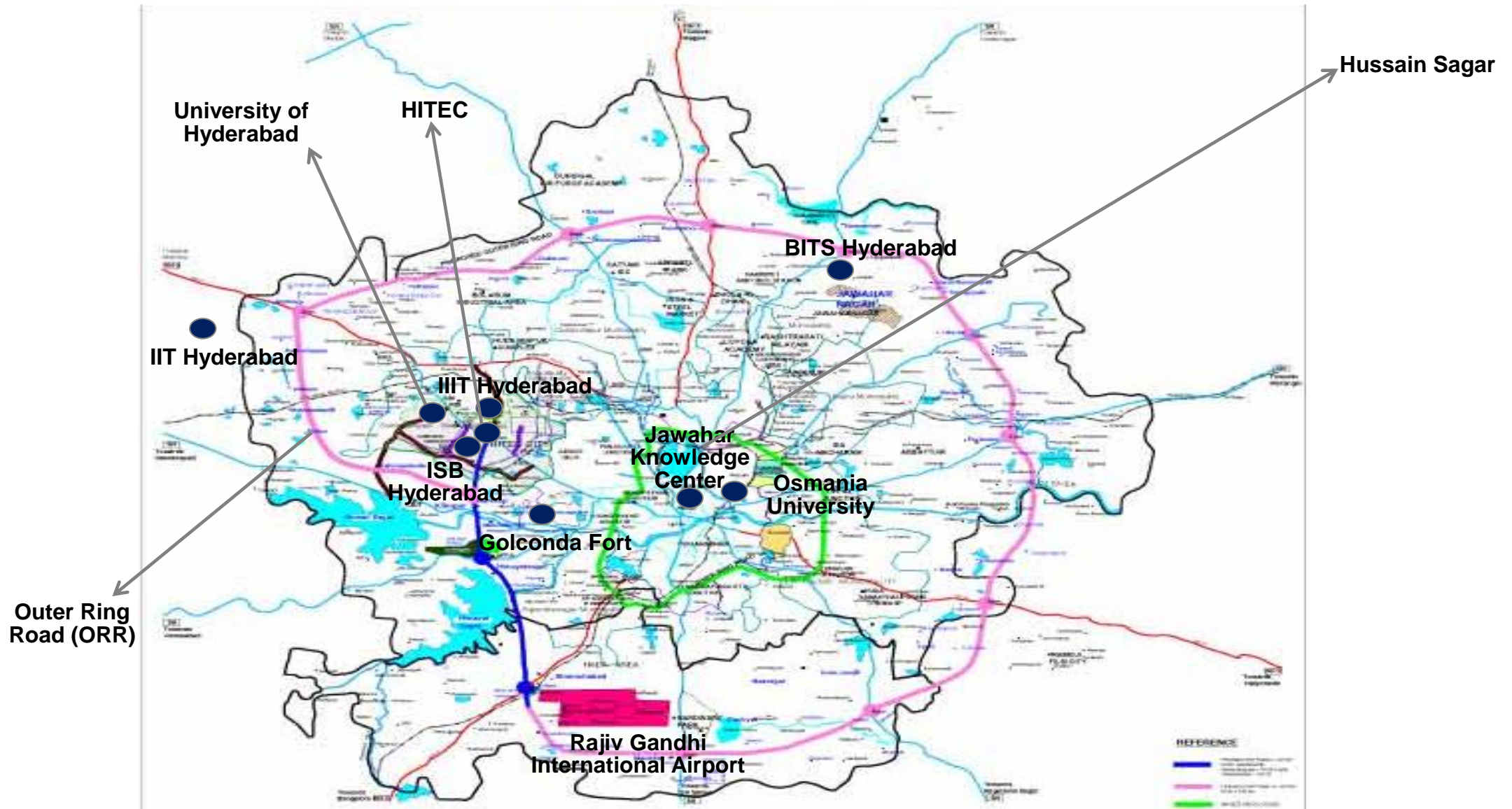
The cuisine of Andhra Pradesh specially Hyderabadi Biryani is world famous for its flavor and spices



Andhra Pradesh has a rich cultural heritage and is the house of varied art forms



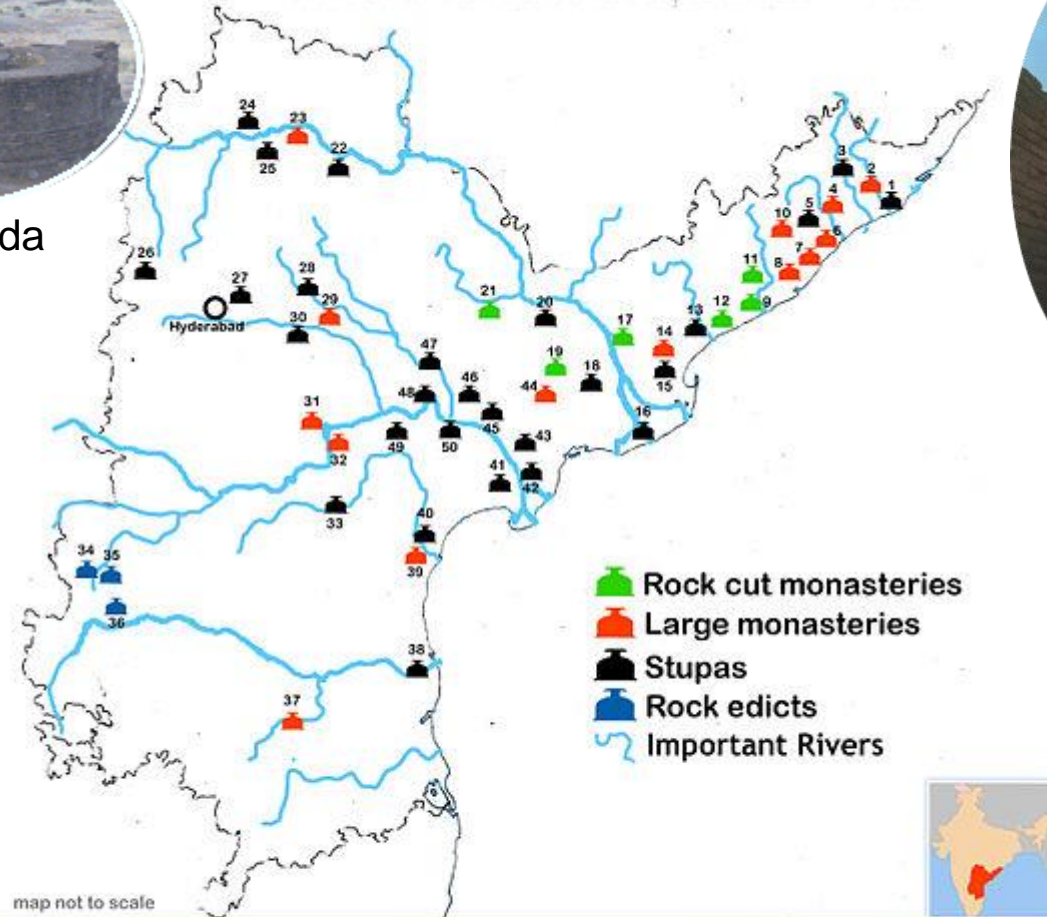
# Hyderabad – a Global Destination



# Buddhism in Andhra Pradesh



**IMPORTANT BUDDHIST MONUMENTS IN ANDHRA PRADESH**  
 MAP LIST OF BUDDHIST SITES EXCAVATED TILL DEC 2012



1. KALINGPATNAM 2. SALIHUNDAM 3. DHANTAPURI 4. GURUBHAKTULAKONDA 5. SARIPALLI 6. PAVURALLAKONDA 7. THOTLAKONDA
8. BAVIKONDA 9. DHANA DIBBALU (KOTTURI) 10. PELLIKONDA 11. BOJJANAKONDA (SANKHARAM) 12. GOPALPATNAM 13. KUMMARILOVA
14. KODAVALI 15. PITHAPURAM 16. ADURRU (RAZOLE) 17. KAAPAVARAM 18. ARJUNGANI 19. GUNTUPALLE 20. ASWARACPET 21. KARUKONDA
22. DHULUKATTA 23. KOTILINGALA 24. BADANKURTHI 25. PASHEGAON 26. KONDAPUR 27. KEESARA 28. TIRUMALGIRI 29. PHANIGIRI
30. GAJULABANDA 31. NAGARJUNAKONDA 32. ANUPU 33. CHANDAVARAM 34. JONNAGIRI 35. RAJULAMANDAGIRI 36. ERRAGUDI
37. NANDALUR 38. RAMATIRTHAM (NELLORE) 39. UPPUGUNDUR 40. KANUPARTI 41. BHATTIPROLU 42. GHANTASALA 43. GUDIVADA
44. PEDAVEGI 45. ALLURU 46. GURMADIDURRU 47. NELAKONDAPALLI 48. JAGGAYYAPET 49. GRANDHASIRI 50. AMARAVATI



Tatlkonda



Amaravati



Anupu Amphitheatre



Salihundam



Nagarjunakonda



Chandavaram



Bavikonda



Guntupalli

# Testimonials

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- Hyderabad is listed as one of the 41 “Must Visit” cities in the world. *Hyderabad is the only city from India, featured in this ranking shown at 19<sup>th</sup> Place.*

- The New York Times – January 2011
- *Andhra Pradesh highlighted as No.2 destination in India, where Govt permissions, clearances Licences are provided in the quickest time frame*

- The World Bank Report “Doing Business in India 2009”
- *“Microsoft looks at Hyderabad as one of the most important centres internationally.”*

- Bill Gates, Chairman, Microsoft
- *"Andhra Pradesh has become one of the leading global IT centres because of the talent of its business leaders, its workforce, and the strong support of its government leadership."*

- Harris Miller – Former President, IT Association of America



# Awards and Recognition



Hyderabad was given the “Best City for MICE in Asia” (Meetings, Incentives, Conferencing, Exhibitions award in Annual MICE report Awards 2012.

Recognized as world’s 3<sup>rd</sup> most affordable office location in 2011 by Global Realty Consultants DTZ

Listed as one of the 41 “Must Visit” cities in the world. It is the only Indian city FEATURED IN THIS RANKING SHOWN AT 19TH PLACE. - The New York Times – January 2011

Hyderabad was given 2<sup>nd</sup> Rank in India’s Hottest IT destination by Rediff Business 2010

Hyderabad was identified as the Gamma + World City by GaWC- 2010 in the Globalization and World Cities Research Network listing

AP was highlighted as No.2 destination in India, where Government permissions, clearances Licences are provided in the quickest time frame - The World Bank Report “Doing Business in India 2009”



# INVITATION



## Seminar on Electronics Industry in Andhra Pradesh 27 November 2013, Hyderabad

Please, book your calendar!

### Contact Details

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