



# Andhra Pradesh

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## Address by Prof C Laxmana

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Hon'ble Minister for Finance, Government of Andhra Pradesh, My Good Friend Mr ML Ramakrishna Naidu, Mr M V S Prasad, Mr Appa Rao, Mr Bhattacharya, Distinguished Guests, Ladies and Gentlemen,

I am extremely happy to be standing before you and telling something about the one happening state in India and that is Andhra Pradesh. During the last one decade, more particularly looking at the last six to seven years, Andhra Pradesh has been in the forefront in many fields in India.

The present Chief Minister and our distinguished leader Shri N Chandrababu Naidu along with the people of Andhra Pradesh has a dream - a dream to be fulfilled by 2020 to make Andhra Pradesh, Swarna Andhra Pradesh - Golden Andhra Pradesh.

This is not a mere wish. It is very easy to dream with mere wishes, but it is something, which has been translated into action day in and day out. Andhra Pradesh till about a decade back was one among the backward states of India in terms of poverty, in terms of illiteracy, in terms of infrastructure and so on and so forth.

But from 1991 to 2001, Andhra Pradesh made several strides in several fields. It made outstanding development in literacy. It was about 44 per cent in the year 1991. It came to be 62 per cent in 2001.

Since 2000, the Government of Andhra Pradesh has launched several programmes for making Andhra Pradesh a literate state. We are very hopeful that Andhra Pradesh will be a cent per cent literate state by 2005. About that, there is no doubt. Anybody who has paid a visit to Andhra Pradesh would be able to say that.

Similarly, about 12 to 13 years back, when I was in the Indian Parliament, we lamented day in and day out that we have as big as 36-37 per cent of people below the poverty line. Our endeavour at that time was to make the Government of India realize that the people who are below the poverty line should come up in Andhra Pradesh.

We had been working continuously. As a result, as per the latest figures of the Government of India, which for some reasons we wanted to dispute, because the Modified Gadgil Formula puts a premium on those states that have made progress. Therefore, while the Government of India was insisting that the people below the poverty line in Andhra Pradesh are only 11 per cent, we said it is 18 per cent. But ultimately out of discussions, they could convince that yes we have made progress, and if you need assistance you can seek otherwise.

Therefore, now it is one of the few states where people below the poverty line are around that figure and we would like to reduce it further.

In infrastructure, which is one of the handicaps, from which Andhra Pradesh suffered, was for want of good air connectivity. We realized that and we have made tremendous efforts. We strived and today Hyderabad has one of the international airports with as many as about 60 flights emanating and coming to Andhra Pradesh.



We have not rested there. I invite all of you to come to Hyderabad to see for yourself how the Hyderabad airport looks, and is perhaps one of the cleanest and most beautiful airports in India, with a lot of facilities for people to come here. But we have not rested there. We were the first state to impress upon the Government for private participation in the airport construction.

The new international airport, which is under construction in Hyderabad, about 35 kilometres from Hyderabad, is the first greenfield experiment, where private participation is the order of the day. That means we have been paving the way for people from all over the world to come and participate with us. It is a Malaysian consortium and also Indians jointly who have taken up that task. Another example, the second greenfield airport is coming up in Bangalore.

These two will lead in the construction and even it triggered the thinking in the Government of India for privatizing the four more existing metropolitan airports as well. Once that airport comes in, we hope it will come sooner than later. Perhaps, there is one handicap, from which we suffered earlier, namely, people who wanted to come and invest in Andhra Pradesh, had to come to Mumbai, or they had to come to Chennai, or they had to come to Delhi.

More particularly to Mumbai and Chennai and when they landed there, they were naturally tempted to look into the opportunities there because you know they had to take a flight subsequently to Hyderabad and we lost quite a few investments because of that. We realized that and therefore we thought, we fought and ultimately we got this international airport.

The other infrastructure is roads. Today, without any fear of contradiction, I can say that Andhra Pradesh can boast of the best roads in the country today. There are three types of roads, the National Highways, and there are quite a few of them in Andhra Pradesh as well; State Highways and Connectivity Highways - the roads and the village roads.

In most villages, under the programme which is known as Janmabhoomi - Motherland Programme, we have cement roads in a high percentage of villages. State highways have been developed into four lanes and so forth. The only link problem was that there were connectivity roads between the villages and the State Highways and the National Highways. Even in that we have made a considerable progress.

We always had Visakhapatnam Port, one of the natural ports, one of the best ports in the country. Now, there is a linkage between the Chennai seaport, Mumbai and also by a scheme, which was announced, Visakhapatnam. In addition to that, the golden Quadrilateral road projects link these. Therefore, the movement of route cargoes becomes easier. But we were not satisfied with that.

We are now at a very advanced stage of development. Three ports Gangavaram and the Kakinada airport, which are about 40-50 kms and another 100 kilometres. So, with three ports there, apart from that, we have got two or three other seaports, which are developed.

So, there will be a lot of opportunity for people who invest either to bring in goods or take out goods because of the seaports as well.

What is important is that these are all catering to the natural resources. But Andhra Pradesh is one of the rich states in human resources, human potential. It is always said that 30 per cent of the people working in Silicon Valley are Indians, and 25 per cent of the Indians are from Andhra Pradesh.

Same is the case with NASA; same is the case with several other branches. Therefore, here is a state where there is every potential to use the available human resources also. Because during the last 10 years from 32 engineering colleges we have gone to 217 colleges. We used to produce about 6,000 and odd engineering graduates. Now, we produce 64,000 engineering graduates.

Similar is the case with medical colleges - dental colleges and veterinary colleges. We have in large numbers. They are available to serve Andhra Pradesh, they are available to serve India, they are available to serve all over the world, which is happening. Therefore, we wanted to showcase this. We wanted to tell this and invite people.

We have taken several steps to facilitate investment from abroad. Our Chief Minister has been having roadshows all over the world. He went to Singapore, he went to Japan, he went to China, he went to Malaysia, he went to Davos, and again he is going to showcase to the US. Yes, USA of course, is the Mecca for everybody to go there.

We have been making strenuous efforts to say as to how it's mutually profitable for people to come from abroad and invest. In this context, today's meeting is significant. Several other facilities, which are being given, will be presented by Mr Paravar, our Commissioner, in his theme presentation.

One thing is certain. Any particular area cannot develop fully on its own. It needs interaction, it needs capital, it needs encouragement, and it needs goodwill. That is what we are seeking. Andhra Pradesh is seeking, the encouragement, the goodwill and the capital, so that you come and develop. Ultimately, you will reap a good harvest out of it in the process of helping the state.

I will just give one more example, how there is a tremendous scope for one type of development. Andhra Pradesh has the highest number of Dwarka Groups - Self-Help Women Groups, 400,000 and odd and the membership is about 5.5 million. With so many people available, they are producing 450 products of exquisite quality.

The lacework of the people of the coastal districts of Kakinada and other areas and the workers there is well known all over the world. Similarly, there are several other things. Therefore, if there are friends who are interested in creating marketing facilities who can invest in marketing, I think here is a golden opportunity for you to market these products which are being produced by the women.

In fact, these women are illiterates, but that did not deter them, that did not stand in their way to progress. So much so, one of those people was selected by the UN bodies, supposed to be an illiterate lady who has been the leader in this Dwarka Movement; she was sent to USA, she was sent to New York and she was our Goodwill Ambassador. She could tell from her own native intelligence, from her own capacity as to what can be done if there is a desire and if there is a willingness on the part of the people who have to work together.

Therefore, several opportunities for marketing specialists, marketing institutions here in this gathering that can use this opportunity to create worldwide market. I am pretty certain that it will have a tremendous impact. There is no doubt about it, because the products are so good - comparable with even the best in the world.

Similarly, Andhra Pradesh produces the highest number of skins and hides. Unfortunately, for historical reasons, there has not been much of development earlier in terms of the tanneries. This is another area where such of those who are interested in developing this industry, in fact some of the leading industrialists in this field in Delhi and elsewhere are interested. This is another area where you can come, you can



invest. You can take advantage of the good conditions, favourable conditions that exist in Andhra Pradesh.

Therefore, ladies and gentleman, it will be our great pleasure to invite you, to show you and to tell you as to what you can do in partnership with us. If we become partners in the pilgrimage of development in Andhra Pradesh, in turn, of India, in turn, of world as a whole, I think that will be a worthwhile experiment.

I, therefore, take this opportunity and if you need anything, I am placed in Delhi and you can contact me. We have got a big organization, Mr Bhattacharya is there and we will be able to help. Apart from that, the Andhra Pradesh Government will be a willing partner for such ventures.

Thank you.

## **Address by Mr Y Ramakrishna Naidu, Finance Minister, Andhra Pradesh**

Prof Laxmana, Respected Officers on the Dais and Respected Delegates from different parts of the World who are attending this interactive Session with the Government of Andhra Pradesh,

Many things have been communicated to you by Prof Laxmana with regard to the development in various fields in Andhra Pradesh and the facilities that are available for the NRIs or any investor in Andhra Pradesh.

At the very outset, I would like to say that I am attending this conference on behalf of our Chief Minister, Shri Nara Chandrababu Naidu. Actually, he decided to attend this conference or this Interactive Session with you all, but due to our Janmabhoomi programme, today is the last day of our Janmabhoomi, which is a very important programme in the eyes of the public, and other inevitable engagements, he could not reach Delhi, and he could not see you all.

For that, I must apologize to you because this is a great opportunity where we have to share with you all the formalities, all the available infrastructure, all the available resources which we have and which we want to tell you in order to attract more investment in Andhra Pradesh.

I think after me detailed presentation will be done by our Commissioner of Industries, Mr Appa Rao, to enlighten you about the entire industrial development or future development of Andhra Pradesh.

So, I would like to tell you just two or three policy decisions of the Government of Andhra Pradesh, as far as the industrialization is concerned. As has been told by our Prof Laxmana, Andhra Pradesh has been doing very well during the past seven years after Chandrababu Naidu took over as Chief Minister in Andhra Pradesh and he has been able to put Andhra Pradesh on the world map.

Now, Andhra Pradesh is an attractive place in different fields. So far as industrialization is concerned, we stand at third place so far as industrial investment growth is concerned. Earlier, it was not like that. For that, we have taken three very important decisions - simplification of our laws, simplification of our procedures and creating more structures in order to clear all the applications regarding industrial investment.

For example, we have brought in a single-window act. So, there is an opportunity for everyone to apply at one place and get clearances as fast as possible without any procedural hurdles. This is working on very well and we have created another important

thing. We have created Infrastructure Development Authority which deals with the projects more than Rs.100 crore.

So, we have got another organization APIIC which is to provide all infrastructure to the areas where industrial investment is taking place, which Mr Prasad is heading.

So, like that, we have created certain things. So, apart from these three organizations and we have got Infrastructure Development Authority enactment also, which is facilitating all clearances as fast as possible. Because for every small thing they need not come to the Government. Government has no involvement in it. So, the Infrastructure Development Authority is empowered, by an enactment, to take all decisions even without referring to the Cabinet or the Government.

So, apart from all these things, we have got a Cabinet empowered committees. Because in so many places, in so many states every decision, even in Andhra Pradesh earlier, used to go to the Cabinet and Cabinet used to take a lot of time and all these things.

Now, our Chief Minister has taken a decision that there should be some Cabinet empowered committees. So the empowered committee is competent to take every decision without any delays. So, this is as far as procedures are concerned we have brought in new enactments to simplify the procedures. We have changed the existing rules in order to simplify all systems. We have created a single-window system, and we have facilitated a system by which any industrialist can apply on the Internet. These are the things which we, so far as procedures are concerned, have taken.

As far as the incentives are concerned, for more than Rs.100-crore projects, we have been giving land incentive or cash incentive and whatever incentive that is possible at the government level. But all major projects so far we have identified 34 major products, mega projects what we call, of which we have almost settled 16 mega projects. So, in order to take decision, this Infrastructure Development Authority acts as a facilitator by consulting all offices at one place and one time without any further delays, either procedural or bureaucratic, or cabinet.

So, the decision would be taken by the IDA - Infrastructure Development Authority that is supported by the enactment. And if at all financial support from the government side is there, then that case will be referred to the Cabinet Subcommittee which is empowered to take a decision.

The system, which we have been following in our state as far as industrial investment is concerned, is very much simplified.

So, there won't be any harassment, there won't be any delays. There won't be any dilly-dally things, that I can assure you. So whoever is interested in investing in any field either tourism is welcome. In the tourism sector also, we have got Cabinet Subcommittee. So far, we have cleared about 143 projects costing about more than Rs.1,000 crore. Further, about 43 projects are in the pipeline costing about Rs.75 crore.

So, every week the Cabinet Subcommittee, which is empowered by the cabinet, which is headed by me, we sit and finalize all projects without any delay. So, like that, we have provided a system to oversee and to clear all applications for all projects. This is one type of system as far as procedures are concerned that we have established them.

As far as incentives for mega projects are concerned, I have already told you, and projects below Rs.100 crore, of course, we have got a national policy of incentives, to which project we have to give incentives and to which project we should not give. Though we are following the National Scheme of Incentives. Wherever necessary, we



are slightly giving incentives. And the projects which are below Rs.100 crore are concerned, we are extending non-cash-based incentives just like land and other infrastructure. Based on the importance of the projects, based on the significance of the project, we are considering a scheme of incentives and extending our full cooperation from the government side to all investors who are coming to Andhra Pradesh.

Another important factor, which everyone has to consider is that I don't want to say about other states, but as far as Andhra Pradesh is concerned, our Government has been in power for the last eight years. I am sure that in the future also we are going to be reelected because we have taken Andhra Pradesh far ahead and put it on the world map. Andhra Pradesh not only developed in different fields, we have created a good infrastructure in education, in health with government expenditure, as well as with the money supported by the private sector.

So, like that, we have got a very good road network. Recently, we have been spending about Rs.5,000 crore in order to develop all highways connecting Hyderabad and other places. We have got one international airport at Shamshabad that is being executed very shortly with a cost of more than Rs.1,000 crore and the existing Hyderabad Airport has been upgraded as an international airport. So, we have got air connectivity. We have got road connectivity.

We are able to have additional 4,000 megawatts during this period of Chandrababu Naidu. So, with that, power is also surplus. Of course, presently, due to the drought conditions, we have got certain power, but already we have reached the surplus in power generation. So, even in water supply also we have got perennial rivers like, Krishna and Godavari. So, we are contemplating to take water from Godavari to Visakhapatnam where the industrial area is much like very big industrial places, steel plants, etc. So, as far as water and power are concerned, we have a good infrastructure.

Another advantage with Andhra Pradesh is that we have got a very good coastal area from Nellore to Shreekakulam, covering about 12 ports, one major port, another 12 minor ports. As you know, the Vizag port has already been developed and Kakinada port has been privatized, the Gangavaram port has been privatized and other ports also been privatized. The Krishnapatnam port has been privatized. We also want to develop other ports.

So, these areas between Nellore and Sikakulam, we have got 12+1 major ports. So, this is also very advantageous, as far as business is concerned or industries are concerned.

So, along the road also we want to have 4-lane roads at international standards. So, that road connectivity will be of high-level quality which is connecting major Vijayawada, Guntur, Rajamundhry, Vizag, Nellore towns and cities. That is also good to attract players.

Another advantage with Andhra Pradesh is that we have got mineral-based areas. So, such minerals also can be exploited wherever you want to invest, and the Government is also attempting to exploit very good minerals. We have got diamond mines and gold mines. We have also got other very important mines also. That is also very attractive area. So, like that, we have got certain advantages. So, our Government is able to pull in a good spirit, as far as industries are concerned.

Apart from all these things, we have got a political stability and we are going to have political stability, and we have got consistency in our policy, consistency in our thought and consistency in the development of our Andhra Pradesh as a whole. Of course, further details would be given by the Commissioner of Industries, Shri Appa Rao. So, I don't want to take much of your time because I want to leave more time for interaction with Andhra Pradesh.

You may have several doubts which we want to clear. I hope you are enjoying this interactive session with Andhra Pradesh and that you all will come to Andhra Pradesh and see what is going on actually in Andhra Pradesh now, because most of you belong to Andhra Pradesh. Most of you must have visited Andhra Pradesh also.

So, between the period of these seven years, a lot of development has taken place. Hyderabad for the last three-four years stands always first as a clean city. So, like that we have developed in so many things that it is going to be a tourism hub and that it is going to be an IT hub, and that it is going to be a biotech hub. So, it is going to be a financial district. So, in all fields, our Chief Minister has taken a number of quick decisions and it is very attractive to the world now and to India as well. With these words, thank you very much. I hope that you will visit Hyderabad and invest, as far as possible to improve our economy faster.

Thank you very much.

## Mr T S Appa Rao, Commissioner of Industries, Andhra Pradesh

Hon'ble Minister for Finance, Government of Andhra Pradesh, Shri Y Ramakrishna Naidu, Prof Laxmanna and My Colleagues Mr M V S Prasad, Rajesh Bhattacharya, Ms Chandana Khan and all the NRIs, and Ladies and Gentleman,

I extend a very warm welcome to all of you even though the weather here is slightly cold as per Andhra's standards. Most of you must be having a perception of Andhra Pradesh whether you are from Andhra Pradesh or from any other state. From the time you left Andhra Pradesh and the Andhra Pradesh of today, there are a lot of changes. My primary aim is to bring to your notice what is Andhra Pradesh today.

Our Hon'ble Minister and Prof Laxmanna have already given you a brief introduction to the type of measures that are being taken in the state. I will be going into slightly more details and will be trying to provide you the Andhra Pradesh as it exists today.

We are actually trying to reduce the time on presentations and give more time for interaction, but in case you want any clarifications after each presentation, a few minutes can be spent on clarifications. We will take up interactions after all the presentations. There will be other presentations, one on the infrastructure development and the other on tourism. After that, we will take up the interactions. If you have any clarifications to seek under presentations, perhaps we can have them.

Just in front of you, you have a CD on top of those things that gives almost the entire picture of what we are giving here and it also has all the addresses, all the web sites of Andhra Pradesh, which you can contact. It's very handy; it's a small CD. If you carry that, perhaps it contains all the things, everything about Andhra Pradesh even the web sites you can even have further details also with that CD. The CD, which is just on the top, will be able to give you all the details. The bags, which we have given to you, I think, perhaps these can be given to them.

Well ladies and gentlemen, Andhra Pradesh under the dynamic leadership of our Hon'ble Chief Minister Shri N Chandrababu Naidu is the first state to come out with a vision document, The Vision 2020.

The Andhra Pradesh state was the first state in the country to come out with a vision document and the vision for Andhra Pradesh is that Andhra Pradesh is a state where poverty will be totally eradicated by 2020 where every man, woman and child has access to not just the basic minimum needs, but to all the opportunities to lead a happy



and fulfilling life, a knowledge and learning society built on the values of hard work, honesty, discipline and a collective sense of purpose.

So, this is the vision we have for our state and we have very well-defined goals. The goal under the vision 2020 is to make Andhra Pradesh the foremost industrial state in the country and perhaps in the world, but at least our first goal is to make it as a foremost industrialized in the country.

The per capita income is proposed to be increased by seven times by 2020. Of course, there were lots of doubts about these statements. But then because we are starting with a very small base, we feel that it is possible particularly with the involvement of the private sector and outside investments in a big way. So, we are having our milestones and the milestones up to now we are more or less able to achieve and we hope to achieve these milestones by 2020.

Then, the average annual growth rate of the state - GDP, we are having a target of 10.3 per cent and then we want to double the industrial investment every five years. We have been on the track and at least 17 to 20 million new jobs are to be created in these 20 years. Then, we want to reduce the population growth to 0.83. Here also, we are on track and we have done much better than any other state during the last three years in controlling the population. We are hoping that we will be able to achieve this growth rate of population much before 2020. The reduced population and increased investments, we hope, will enable us to achieve higher per capita incomes for the people in our state.

If you see the current, this is 2001-2002, the Andhra Pradesh per capita income growth was around 5.7 per cent as against the all-India per capita income growth of 3.6 per cent and the decade population growth, which I just mentioned, Andhra Pradesh was around 13.9 per cent compared to the all-India rate of 21.4 per cent.

Now, how do we plan to achieve this growth? So, we have taken the root of basically creating a world-class infrastructure. where we can invite or where we can attract naturally people to come to Andhra Pradesh and establish their businesses, their enterprises, their industries, or whatever you have.

Then, the second basis is the development of human resources as our Hon'ble Minister and Prof Laxmanna has already mentioned. We have a goal of making Andhra Pradesh 100-per cent literate by 2005. Not only that, we also want to create a Knowledge Society, as was already mentioned in the Vision 2020. We are concentrating on creating a knowledge society in the state of Andhra Pradesh, so that we will have the human resources that are available and this is the highest capital which we would be having in our state to achieve the growth which we have targeted before us under the Vision 2020.

Another major basis for growth is the untapped and hitherto-neglected sector of tourism. As you know, most of you who are from Andhra Pradesh would be aware that there are lots of areas which have lots of potential. My colleague Ms Chandana Khan will deal in much greater with this. Then, the other important basis is the creation of having a good governance, where the public-government interface has to be reduced to the extent possible. In this, we are having a lot of initiatives.

Once again here also Andhra Pradesh is a pioneer and also a leader in the country. Our E-Seva programmes are basically the computer-based services extended to a large number of utilities. In this we lead in the country and we are already providing more than 30 services through the E-Seva in Hyderabad city today. In the phased programme in the next one-year, we are going to extend it to all the municipalities and subsequently to the entire state.



Now, how do we realize the goals which we have set forth? This is available in a pictorial way. You can see the governance, the programme policy, procedure and personnel. Our Hon'ble Minister has dealt with how we are managing our policy and also ensuring that the procedures are simplified.

The programmes are intended for the people with the involvement and participation of the people and the personnel also play a very important role. There is a huge programme to improve the personnel, the way they respond to the situation and all, because as most of you must have seen and as some of the reports of the World Bank also indicate that at the higher levels, at the level of our Chief Minister or other ministers or even at the higher levels of the bureaucracy, there are not many problems.

As you go down the level, at the cutting edge of the bureaucracy, there are problems. We also realized that this is a problem and we want to improve the situation by having suitable programmes, by having a continuous orientation and training programme to the lower level functionaries and to see that they render the services in a more user-friendly way.

So, today, we have this problem. So, some of you when you approach some of the local offices or some of the field-level offices, you may still have the problem. Because you may go with an impression that everything has changed in Andhra Pradesh, then you go to an office, an MRO office and an MDO office and find some problem. There are changes, but then changes are not there perhaps you know not to the extent desirable. So, we are still in the process of doing it. It may take another one or two years, but we are in the process of doing.

Then, there is the human development. We have already mentioned, economic development and infrastructure development. This is how we propose to achieve the vision goals.

Then, resource-wise, Andhra Pradesh fortunately is a very well-endowed state. We are basically an agricultural economy. We are now trying to convert the agricultural economy into an industrial economy, but otherwise we are one of the major agricultural states. So, a lot of agro resources are available in the country. Some of the resources are quite high in proportion to the resources that are available in the country.

In the same way, we have a very long coast. We have the second-largest coastlines in the country. We have a very flourishing seafood industry. Actually, the seafood industry of Andhra Pradesh contributes almost 48 per cent of the exports from the country. Perhaps, earlier you must be knowing about Kerala and the exports from Kerala, but today Andhra Pradesh takes the prime place in the export of seafood products from the country and we contribute about 48 per cent of the exports from the country.

We also have mineral resources, as already mentioned. We have even huge deposits of bauxite, but there are some problems. Recently, gas was struck in the offshore of Krishna-Godavari basin. The present calculation is about 50 per cent the gas reserves in the country are available around the Andhra Pradesh coast. Similarly, we have other minerals also, particularly limestone. We are one of the major states with limestone. Then, even gold and diamond prospecting is going on. Some of the Australian companies and others are doing this.

Then, human resources, as I mentioned, are the most important. So, as you can see, every year from our technical institutions about 63,750 graduates pass out. I was informed that this is almost equivalent to the total number of engineers produced in the United States of America. So, you can imagine the type of emphasis we are placing on training our people and creating human resources.



Similarly, we have the Master of Computer Applications, Bachelor of Computer Applications, MBAs, diploma engineers, and even a very large chunk of ITI certificate holders, more than 105 thousand ITI certificate holders. These types of technical persons are coming out every year from the institutions located within Andhra Pradesh. Now, we are also concentrating on science education so that biotechnology and other areas improve. We would be able to have trained people to take up these activities.

Now, we have also in the past two or three years developed institutions of international excellence with some of the major international names like the International Institute of Information Technology in Hyderabad, which are running in partnership with IBM, Oracle, Motorola, and Signal Tree. In all these institutions, they come and teach and they also come and give exposure to the students who are studying in this International Institute of Information Technology.

Similarly, we have the Indian School of Business. Earlier some of you might have gone to Harvard to do your MBA and all these things at a much higher cost.

Today, you can do the same Harvard MBA sitting in Hyderabad. The Kellogg, Wharton and London School of Economics have come together and they have collaborated for establishing this Indian School of Business, which is available to the students within India at a much cheaper cost.

In the same way, we have an MSIT programme partnering with the Carnegie Mellon University. In addition to this, we have a large number of local institutions which are located in Hyderabad. But these are the international standard institutions which are being created in the last two-three years.

Then, infrastructure development. I will just move quickly in this because Mr M V S Prasad would be making a much more detailed presentation. As you must have heard, Andhra Pradesh is once again a pioneer in reforms. If you talk of a state in India which is concentrating on reforms, it is Andhra Pradesh under the dynamic leadership of our Chief Minister. The government has made reforms as a political plank and they have got the people's mandate and they are pursuing the reforms.

As you can see the first two fast-track private sector power projects in India are located in Andhra Pradesh. We are one state which has added about 4,500 megawatts of power in the last five years, and we propose to add another 2,000 to 3,000 in the next three-four years. Then, the power units in our state are functioning very efficiently as per the Indian standards and they have the highest Plant Load Factor in the country.

Then, the power sector reforms have been taken up. We are one of the first states to take up these reforms. We have got an Electricity Regulatory Commission. We have separated generation from transmission. Even distribution has been entrusted to the distribution companies. Of course, we have still to privatize it. On paper, we have surplus power. Of course, this year because of the reduction in hydel generation, we have some problems, but otherwise, in a normal year - this is a drought year, we are a power-surplus state.

If you have visited Andhra Pradesh in 1995-96, you must have faced a lot of power cuts. At that time, they were saying that in Andhra Pradesh there were a lot of power problems. But today the situation is totally different and Andhra Pradesh is a power-surplus state and we are in a position to supply power to the industries uninterruptedly.

We have also done another thing. Because some of you may be having a doubt as to how we are able to manage. Because you must have earlier seen, that were supplying

to the agricultural connections and also industrial connections together. Now, we have separated the industry connections. The industrial feeders are separated and we are able to give them power for 24 hours. For the agricultural feeders, we give only for nine hours. So, that way, we have ensured that the industry gets uninterrupted quality power and some of the industries in the recent past in the last one year, they were telling me that they have made a saving of about Rs. 20-30 lakh per month. Because earlier, they were getting our power from the TRANSCO. They were paying about Rs. 20 lakh. Then, they were generating another Rs. 40 lakh worth of power through the generators.

Now, because we are able to give them continuous power supply and it is much cheaper than the power generated by them by the captive power plants, they are able to save Rs. 20-30 lakh per month on the power sector alone. So, this is the type of improvement that has taken place and this has helped in a big way.

Then, coming to the roads, I hope some of you have visited Andhra Pradesh recently. We proudly mention and we also are very happy to inform you that we have perhaps one of the best road networks in the state today compared to any other state in the country. You can see the type of investments we have made. We have improved about 1,250 kilometres of existing roads. Another 8,500 kilometres of new roads have been improved. Then, 360 bridges have been developed. We have spent almost around Rs. 4,000 crore in the last five years on roads and bridges.

So, this is the type of infrastructure that is available. The road network has tremendously improved in the state for the last five years.

Our Hon'ble Minister has already mentioned about ports. We are following a public-private partnership where the idea is to privatize the roads and allow the private sector to come in a big way and improve the private ports that are available. We are entrusting this job to them.

Airports also have been mentioned. We are trying to develop Hyderabad into a major international airport. It is already an international destination. A lot of flights are coming from there, but we are also trying to develop a new port. Even in the existing airport about Rs. 60 crore is being invested so that bigger aircraft can come.

Similarly, in Visakhapatnam, today we don't have facilities for night landing and also international flights. We are developing that with Rs. 200 crore. We are developing both night landing facility and also the facility for bigger aircraft to land and Rs. 200 crore is earmarked and the work has already started. So, those of you who are interested in going to Visakhapatnam straight from any of the international destinations, may be able to do so in the next one year or even less than that.

Then, this is one of the major achievements of Andhra Pradesh in the new era of connectivity. In the electronic and telecommunication connectivity, our state has the highest fibre-optic connectivity in the entire country. We have about 41,000 kilometres of wide optical fibres and almost all the villages are also connected. That is why, I mentioned earlier how we propose to go with the E-Seva programmes and all from the cities to the towns and to the villages in the coming two to three years and this is what is going to help us in doing that. We have perhaps got one of the highest facility for extending the Internet and other facilities all over the state.

Then, there are some of the tourist hubs and I think Ms Chandana Khan will explain it in greater details. So, I will leave it at this.

Then, as our Hon'ble Minister has mentioned, Andhra Pradesh in 1995 was in the twenty-second place, as far as investments received in the country are concerned.



From twenty-second we came to seventh, then we came to sixth and then we came to third. Today, we are the third state in India to receive the investments after Maharashtra and Gujarat. In the last five to six years, the state has made tremendous strides, and we have come from twenty-second place to third place as far as the investments into the state are concerned.

Now, this is the study made by the Phillip Morris. They wanted to establish a food processing unit in Hyderabad in 2000. They gave a lot of factors, marks, Grade 1 is the lowest and Grade 7 is the highest - political stability, business responsiveness, raw materials, climate, infrastructure.

Then, market servicing, industrial workforce, state incentives, and then the cost of business quality of life. So, Out of 70, Andhra Pradesh has scored about 66. The other states that were compared were Maharashtra, Karnataka, Tamil Nadu and Himachal Pradesh because this was an agri processing unit. Of course, subsequently they have established and for the last one year they are also very successfully functioning in our state.

Then, the World Bank has conducted a study on the value-added per cost of labour for the amount you spend on labour. So, even on the labour front we are very good. Of course, we still want to do better. As I said, a lot of training for them, a lot of technical education and other things are being done. But already in financial terms we are quite good as far as the labour is also concerned.

Then, we have a new industrial policy which emphasizes on the creation of infrastructure rather than giving subsidies because most of the foreign investors were emphasizing that we are not interested in the subsidies, but we want better competitive infrastructure so that our products, which are manufactured here, can compete in the world market. That's why we have got a policy which aims at creating a better infrastructure.

On reducing the Inspector Raj, I think all of you are aware, I think the people are very scared of the Inspector Raj. I am very happy to inform you that Andhra Pradesh is one state where we have totally dismantled the Inspector Raj. Of course, it may take some more time. But we have created a situation where the entire Inspector Raj has been dismantled. Now, we will be having only one inspection per year and that too only in the case of hazardous industries. In all other industries, a simple declaration is sufficient. No inspector will come to you and harass you. In the same way, we have also simplified the returns. Earlier, even a small-scale industry had to give about a dozen returns to various departments. We have simplified all of them. We have compiled them into one and now only one return is sufficient. So, one single return and one self-certification will see that no inspector will come to your industry if you have an industry in Andhra Pradesh. So, we have introduced this system. Of course, it will take some time for us to take it down up to the cutting level, but the whole mechanism is in place. In practice, for it to happen we will take another five to six months and by that time we will not have any problem of inspector or Inspection Raj for which India is notorious. We have taken care to see that this problem is not there.

The third thing is the fast clearances. As our Hon'ble Minister has already mentioned, we are the first State which has made single-window a statutory body. Earlier also, we were having this. But because we were having only executive instructions, there were lots of problems. So, we brought out an Act of the legislature and under the Act we said that there should be only one point of contact for any government clearance. So, today, an entrepreneur has to go to only one place and if he files the application there, then all the other things will be taken care of within a time of about 7 to 30 days, depending on the type of requirements, type of clearances they require. Within a time of about 7 to 30 days once again from the same place where he has submitted his application, the clearances are given.

We also created a facility for deemed approval. Deemed approvals have been there earlier also in the Act. But it was supposed to be deemed. Suppose you apply for some permission, if the permission is not given within the time frame it is supposed to be a deemed approval. But then you will not have anything to show that you got the deemed approval. We realize this problem and today we are issuing a communication saying that your clearance is deemed to have been approved because there was a delay, it was not given in time. So, within seven days suppose you have to get a clearance for building suppose you don't get it, you will get on the seventh day a deemed approval with a letter from the Government saying that your permission is deemed to have been approved. So, because of these things, the entire scenario of clearances has become much more open, simple and transparent in the state.

So, these are all some of the details of that.

This is another very important body which we have in our state. Perhaps to our knowledge, this is the only state which has such a high-level body meeting every month to see what is happening to the investors and investments, which are coming into the state. This is called the State Investment Promotion Board. This is headed by the Chief Minister himself; he is the Chairman. Then, all the important sectoral Ministers like the Minister of Finance, Minister of Revenue, Minister of Energy, Minister for Major Industries, Minister of Commercial Taxes and Minister of Small-Scale Industries. They are the members. The idea of this Board is that if there is any problem, there is any relaxation to be given, or if there is any other incentive or concession to be given to attract particular investment into the state decision can be taken. And this Board meets on a fixed date, i.e., 18<sup>th</sup> of every month in our state and wherever there are special conditions or special situations those things are tackled by this Board.

So, what is Andhra Pradesh today, as far as industrial and economic progress is concerned? We are the largest bulk drug and formulations industry in the country. Perhaps, some of you are aware, some of you may not be aware, we contribute about 30 per cent of the production in the country and about 35 per cent of the exports in bulk drugs and formulations. The capital city of Hyderabad is internationally renowned for chemical synthesis and process engineering and invention of new molecules. Dr Reddy's Laboratories, Aurobindo-all these companies are big names-which are internationally known, and they are all based in Hyderabad.

Then, the capital city of Hyderabad is globally recognized and the fastest-growing base for IT-Enabled Services. Here, I should take a few minutes to explain to you.

IT-Enabled Services is fast emerging. Those of you who are familiar with the IT sector would be aware of this and Andhra Pradesh is recording a fantastic growth. Last year we had about 350 per cent growth and this year in the first two quarters we had 380 per cent growth. One of the highest growths in the country is achieved by Andhra Pradesh in the IT-Enabled Services sector.

It has a most progressive and largest entertainment industries in India. Perhaps, some of you must have visited our Ramoji Film City. It has been internationally acclaimed that this is one of the best facilities for making movies. Most of the Bollywood producers themselves and directors have high praise for this Ramoji Film Studio and this is giving a big boost to the entertainment industry in this state.

It is the leading state in several agro-based industries such as sugar, edible oil, seafood. I have already mentioned about it.

Then, the premier corporate hospitals. I think those of you from the Gulf and other West Asian regions may be aware that we provide world-class healthcare. Hyderabad



has about 12 or 13 big hospitals, corporate hospitals, including Apollo and others. There is a lot of health tourism, in the sense that lots of people are coming to Hyderabad to get treated because it is not only cheaper but it is also very, very efficient and it can be compared with any hospital of the world standards.

Then, our is the first state to introduce infrastructure development-enabling Act. My colleague Mr Prasad will explain on that. We are the first state to have made the entire process of infrastructure development very open and transparent. He will be giving you the details.

Then, Andhra Pradesh is the first state in India to use Information Technology extensively in governance. This is another area where we have been really talking about practising IT to reach to the common man, to the villager and to see their problems. Earlier, some of you might have gone through these processes. If you wanted an income certificate or if you wanted a caste certificate, there was a long wait. Maybe it took 15 days, it took one month. Today, through the computer in any of our office you can get just across the board. So, a lot of things, which are important for the public, have been simplified and are available, and IT has played a crucial role in these things.

About investments, I have already mentioned.

Then, there is industrial infrastructure. We are creating world-class infrastructure. Our high-tech city and the Genome Valley, this is the first Biotechnology Park in the country with all the facilities. Today, if anyone wants to develop a biotech industry perhaps genome valley of Hyderabad is the first option. Only if they don't get a seat there perhaps they will go to some other place. It is not an exaggeration. Those of you who are interested in biotechnology, please visit the Genome Valley of Hyderabad and satisfy yourself.

Then, the Financial District. We have got the Insurance Regulatory and Development Authority located in Hyderabad and taking advantage of this we are developing in a big way the financial and insurance services which have been recently opened to the private sector.

Then, the Gems & Jewellery: Hyderabad is known for pearls. It is called the Pearl City. I think lots of you are aware of it. So, taking advantage of this and even gems also, there is a lot of activity. So, we are developing an exclusive Gems and Jewellery Park which will house not only the industry, the showrooms and all, but also the institutions which will train the workers and other things.

Then, we are developing the Pharma City in Visakhapatnam and Special Economic Zone, which our colleague will explain in greater details.

Then, I will just take you through investment opportunities quickly because we are not giving all the details. So, these are the infrastructure projects which are available. Visakhapatnam Software Park, Pharma City, Special Economic Zone. Machilipatnam Port is available. Near Hyderabad, Hardware Park and Financial Districts are available. Then, as our Prof Laxmanna has mentioned, we have a lot of leather resources and some of the Leather Parks also can be developed.

Then, as I said, we are giving a lot of importance to the construction of roads and bridges. The Pune-Hyderabad road-widening project is available. Hyderabad-Vijayawada also is available and Hyderabad-Vijayawada Phase II is available on a BOT basis.

Then, we have Hyderabad Urban Development Project. Around Hyderabad City, we have a Hyderabad outer ring roads project. Everything is done and it is on offer for bids. Then, Central Spin Roads and Metro Rail Transport System. These are all projects, we are

contemplating of some of which are already under implementation for further expansion and other things. These details are available in the CD which we have given to you.

There are Information Technology sites, the AP State Information and Communication network, the submarine optic-fibre cable and tourism projects. Then, there are also projects and inland water transport and construction equipment bank.

Then, these are the type of projects in the chemical sector that are available and they are feasible. We have given all these details in the CD which we have supplied to you.

In drugs and pharmaceuticals, we are already very strong. We are developing a separate Pharma Park and there is also a lot of potential for investment in drugs and pharma.

Cotton and Sericulture Sector: These also have lot of potential. Of course, some of you might be already aware, we have cotton spinning mills, integrated textile mills, silk reeling, silk fabrics, knitting and weaving, synthetic fibres, non-woven fibres, ready-made garments and apparels. For all these, there are a lot of facilities and also a lot of potential because we are one of the biggest cotton-growing states and also we have a lot of weavers and people who are readily available with all the required skills.

Then, the engineering industry also has some of the major Research and Development in space and other things. They are all located in Hyderabad. From the small-scale sector to large industries, they are all associated with the development of a lot of space vehicles and other things. So, here also there is a lot of potential.

So, to summarize, what is that AP offers? AP offers a progressive industrial policy. We provide a model Escort Officer for each of the project which is registered in our state. We give investment subsidy. We give 50 per cent exemption in registration fees. Then, there are statutory single-window clearances within the shortest possible time, simplified procedure, infrastructure at its doorstep, pro-industry labour laws and special packages for mega projects with investment of Rs. 500 crore and above.

Now, this is what are some of the latest technology advances. Of course, this is dated even in the *New York Times* of 28<sup>th</sup> December also. There was a very good article on Andhra Pradesh and what is happening in Andhra Pradesh. There is a lot of recognition in the international press and various magazines about the type of work that is going on in Andhra Pradesh and I am sure most of you are familiar with that. This is one of those things.

Thank you very much. I come to the end of my presentation. If you have any clarifications, I would be very happy. Otherwise, we will take up other things at the time of interaction.

Thank you.

**Mr M V S Prasad, Vice-Chairman & MD,  
AP Industrial Infrastructure Corporation Ltd**

Hon'ble Minister for Finance, Shri Ramakrishna Naidu, Prof Laxmanna, My Colleague Appa Rao, R C Bhattacharya and Chandana Khan and the Distinguished and Honoured NRI Guests,

I come here to present a brief overview of the various infrastructure projects that we are taking up in Andhra Pradesh. These projects are basically intended to create infrastructure to facilitate the industrial development. The infrastructure that is sought to be created is generally based on the principle of public-private partnership. The government facilitates investment into the infrastructure projects, develops projects

and allows the private partners to take over the completion of the projects. We have on occasions started infrastructure projects at the initiative of private people who gave us suggestions as to how to go about doing this. The example is the Pharma City. The Pharma City is a project which has been initiated because of the initiative taken by the Bulk Drugs Manufacturers' Association. They have seen the fact that Hyderabad can no longer take more of pharmaceutical industry and it has to be moved out to a place where the pollution angle is much more addressed in a better manner than what it is in Hyderabad. So, we are open to suggestions, we have taken up initiatives on our own, we have taken up initiatives at the behest of the industry also. What I am trying to mention here is that we are open to all suggestions and we are prepared to take up initiatives that are required to improve the infrastructure conditions in Andhra Pradesh.

Mr Appa Rao has already indicated to you about infrastructure. The connectivity is being improved. Basically, at Hyderabad, we are getting a greenfield airport, international airport at Shamshabad near Hyderabad, while we are improving the position of the present Begumpet Airport. Similarly, the Vizag Airport is being widened. The other minor airports are also substantially being improved to facilitate easy movement in the state.

Similarly, four ports have been privatized. The greenfield port at Gangavaram has already been bid out, and the developer is in place. This is going to be one of the major ports in future with a draft of nearly 20 metres. It is considered to be one of the very few big ports in addition to the number-one port of India, with Vizag in its neighbourhood.

Similarly, the road connectivity also is being improved substantially.

As I mentioned to you, Gangavaram Port is a greenfield port with a deep draft and a capacity of 50 million metric tons per annum, Deep-Water Multipurpose Greenfield Port. This has already been bid out. The bidder is already in place. The implementation is expected to be completed by 2006. The developer now promises to do it by 2005 itself. So, you will have a very big port adjacent to Visakhapatnam Port in another two years' time.

In Hyderabad, we are taking up an integrated project of convention centres, hotels, golf course and multipurpose villas. This also has been bid out and an international agency has taken over development of this project with the active participation of APISC as one of the shareholders. This also is expected to come up by about 2005. The ground-breaking work is expected in the first week of February and we expect to go ahead with the project and complete it partly by 2005 and the rest of it by 2006.

Financial Districts: This is a new concept which we developed to ensure the participation of a number of financial institutions including the insurance and other financial institutions. This is being set up in an area of nearly 200 acres and already we have some anchor clients like IRDA, the Institute of Insurance and Risk Management, IBDR, Reserve Bank, and other agencies and we hope that this project will be completed very fast. We are in the process of doing a master planning and we are expecting to complete placing the developer in another two months' time. You are welcome to participate in this project both as developers as also any other financial institution, which wants to establish its shop. They are welcome to come and join us here.

Pharmaceuticals. As I mentioned earlier, because of the difficulties encountered by the pharmaceutical industry in placing themselves in Hyderabad. On the request of the pharmaceutical industry we have located a place along with them near Visakhapatnam over an area of 2,000 acres and this area will be able to cater to the bulk drug industry manufacturing and formulations also. You can participate in this as developers, as well as individual units.



The Hardware Park is another area which is coming up near Hyderabad. It is in a place called Mohemadapalli which is hardly about 12 to 15 kms from Hyderabad. We are going to put it up in an area of 5,000 acres. We have started development of a core area of nearly 200 acres near Hyderabad and we have already started development of this core area of 200 acres and the remaining area also will be developed very shortly. You can join us as a developer or as a unit participating in the hardware industry.

Visakhapatnam Industrial Water Supply Project: This project is to take about 404 MLD of water to various industries that exist in Visakhapatnam or are likely to come up in Visakhapatnam. That is basically the Pharma City, the SEZ and the existing industrial units, including the Visakhapatnam Steel Plant. This water is supposed to be carried from Godavari to Elluru reservoir and from Elluru reservoir to Visakhapatnam and surrounding areas. This is nearly a Rs. 300 crore project and this includes laying a pipeline from Godavari to Visakhapatnam and Godavari to Elluru and improving the canal, rehabilitating the canal with another Rs. 200 crore. Totally Rs. 500 crore project and this will cater to the needs of various industries. We are in the process of finalizing the bidder by 15<sup>th</sup> February and this will be a very useful project for the Vizag industries.

This is Food Processing Industrial Park at Kuppam. We had started with a park of about 100 acre. Soon, we found that 100 acres are not adequate and we have improved it to a 300-acre park where we have developed the infrastructure for putting up the food processing units. A number of majors are already looking into that. They have not come in as yet, but a number of international agencies are having a close look at it and we have promises that they will be coming there to set up their factories. You are welcome to come there as a developer or as a unit holder in the food processing unit. Kuppam has a great advantage in the sense it is by the side of the National Highway that is leading up to Bangalore and there is a train connection. All these taken together, it becomes a very attractive proposition.

This is one of the, what I should say, a special dispensation for Andhra Pradesh. The Special Economic Zone in an area of totally 10,000 acres. In the first phase, 3,500 acres are coming up near Visakhapatnam. This is, as you know, the policy of the Government of India in providing the Special Economic Zones is that they are treated as a deemed foreign territory with a lot of financial incentives. It is exempted from duties and tariffs, preferential policy and procedures, relaxed labour laws, competitive fiscal incentives, world-class infrastructure. The Government of India is giving a lot of importance to this and our State Government is the first one to formulate a policy for the Special Economic Zone within the State, gives a lot of benefits and also the facility of putting up captive power generation also. Taking into consideration all these facilities, this will be a very attractive proposal. We welcome you as developers and unit holders and let me mention to you that even before a developer is located we have certain units which want to come in there. About one-third of the area of 3,500 acres of the first phase, there are requests for allotment of land. So, this will be a very attractive project.

These are provisions which will help you to understand this Special Economic Zone. It is single-point approvals, clearances by the Park Authority itself, not at the government level. All the approvals are given at the park level itself. There will be a Development Commissioner. The developer is a part of it and the unit holder and all of them can decide about the various approvals and clearances.

Flexible Labour Laws: The State Government has taken the initiative and sent a proposal to the Government of India for clearance of a number of labour laws and most of them have been cleared by the Government of India. Only one or two minor issues are still pending, but most of the laws have been cleared by the Government of India also.

Then, there is flexibility in pricing utilities. Bulk water will be supplied to you at the park



and inside what rates you will be charged will be left to the developer.

Then, streamlined environmental procedure. The Government of India also has relaxed the provisions of environmental laws. No public hearing is required for Special Economic Zones and all other clearances will have to be given within 45 days and the Special Economic Zone area is specially under a local authority and the local authority will be the Development Commissioner, the developer and all other practising units there. A number of powers of the State Government have been delegated to the Development Commissioner of the zone, including the powers under labour laws, revenue laws, and all other laws have also been delegated to the Development Commissioner. In other words there will be a decentralized administration, as far as this zone is concerned.

We have already issued the Expression of Interest for this. This was released on 6<sup>th</sup> January. The Phase I is Rs. 400 million for 40 sq km area and the Government provides the land. It has already acquired the land that is required for this. And power, water have been taken care of at the present moment.

Then, we have three major leather parks in Chittoor, Nalgonda and Rangareddy and six medium leather parks. There is an Apparel Park at Visakhapatnam. Special concessions are also given for these export zones. Then, there are a number of tourism projects, which my colleague Chandana Khan will be making a mention of.

As Mr Appa Rao has already mentioned, there are a number of investment opportunities in the road projects, the Hyderabad-Vijayawada road and the Hyderabad Ring Road. Then, the Hyderabad Multi-Nodal Suburban Transport System is also being developed. The first phase is likely to start in the month of February and the second phase will start off in another year's time and there are a number of minor ports and one more thing with which APIC is involved is Town Gas distribution. We have already an agreement with GAIL and we are also entering into an agreement with the Reliance, which has found a large gas deposit in the KG Basin. For town gas distribution as well as commercial distribution of this gas also, we welcome you to participate in this.

Thank you.

## Mrs Chandana Khan, Tourism Secretary, Andhra Pradesh

Hon'ble Minister for Finance, Mr Ramakrishna Naidu who is also the Chairman of the Tourism Project Approval Committee in our State, Dr Laxman Rao, Mr Prasad, Mr Bhattacharya, Mr Appa Rao, All the Distinguished Participants here, the Media,

My hearty welcome to all of you to this presentation. I also seek your indulgence for going through the presentation which is a brief one.

Well, Andhra Pradesh has been presented to you from different angles. I want to reintroduce AP from the tourism angle. At the outset, let me tell you that though AP has started tourism rather late compared to some of the other states like Kerala, Goa, Rajasthan, which are very well known for tourism, but we are making a considerable progress in bringing AP into the tourism map of India and the world.

We started in a planned way about three years back. We asked the world tourism organization to do the master development plan for AP tourism, which has been done. KPMG and other multinational companies have done the master plan for north coastal Andhra and PKF also has done for Tirupati and Hyderabad. What I mean to say is that when we are talking of projects we are not talking of those arbitrarily or what we have decided purely from the government side, but we have carved these projects from these plans done very professionally. These are the ones which are really thrown open

for investment, quite a few are ongoing as the presentation will show.

When we start with the temples of Tirupati because Tirupati does attract 60 per cent of the domestic tourists in Andhra Pradesh. We are next only to UP in getting domestic tourists. We are getting per annum Rs. 5.25 crore, 60 per cent for pilgrimage and 40 per cent for other tourism. Then, again Charminar is another landmark in Hyderabad. Well, it is a virtual reality of Charminar that we have developed.

**VIRTUAL REALITY PRESENTATION:**

Adab, welcome to Hyderabad and welcome to Charminar.

Let me have the pleasure of leading you through the pride of Hyderabad. This monument was built in 1591 AD to commemorate the end of a plague epidemic and with it a new city was developed. Charminar became the nucleus of modern Hyderabad.

Right now, we are concentrating on pedestrianizing Charminar, cordoning off certain areas from heavy vehicular traffic. Lighting, quite modern and dynamic lighting is ready for Charminar to really showcase it in the night. In fact, it is a part of the revival of heritage projects because Hyderabad has so much of heritage monuments, buildings and we are giving a lot of consideration.

We present Andhra Pradesh as an investor-friendly state going great guns for tourism. These are some of the ideas of the old projects and new projects, quite a few things are going on. We are building an Imax theatre in Hyderabad near the Hussain Sagar Lake, which will be opened in April-May. We are also building a Snow Dome in Hyderabad. For the first time we will show snow in the south and that also will be completed in April-May.

These are some of the modern creations and these are being done by private persons. These are not being done by the Government. It is a reality that private persons have come to invest in the tourism projects in a big way with investment of Rs. 25 crore for the Snow Dome and Rs. 61 crore for the Imax theatre and it is possible for the friendly policies of the Government like giving lands on easy terms, etc., to which I will come later.

My colleague has earlier mentioned about the tourism hubs. I will elaborate on that, These are the major tourism destinations in and around, of course, Hyderabad. We have six special tourism areas. We call them special tourism areas because the incentives and concessions for private participation are available here. Hyderabad, Vizag, Tirupati, Nagarjuna Sagar, Srisailem, Warangal Vijayawada right now, are the ones. And each has its own distinct characteristics. Visakhapatnam has the industrial phase, but Visakhapatnam also has the tourism phase and tribal phase, the beautiful tribal valley very close to that. Tirupati does not need any introduction, but we have started a visitor's zone concept there and we have offered for private participation for different kinds of works there like theme parks and the Tirupati aerial ropeway also has been finalized.

Nagarjuna Sagar, the great Buddhist seat, we have got a feasibility report and a concept plan done by Tata Consultancy. The report is available for private investment. Srisailem is again another seat for religious tourism only. It is like a hill station and it is possible to have a lot of eco-parks and theme parks and for that also we have a report. We have given some of this information in the brochures, investment opportunity in your bag.

Warangal, the old capital, the heritage city and Vijayawada again are known for its commercial phase, but let me tell you Vijayawada also has the tourism phase. The river Krishna is in the middle of the city, with the Buddhist sites, the temple, etc. And we are also developing quite a few other resorts and parks there.



Eco-tourism has gained a lot of momentum in India. Already, it is a favourite destination abroad and we have taken development of eco-friendly jungle lodges. Of course, we are really offering them for private participation. Because of the do's and don'ts of forest department, only Government can really take up the projects, but we have already developed two and they are for you to visit whenever you come to Andhra Pradesh possibly to see what kinds of jungles that have been opened up and the facilities like tree-houses and cottages and tribal villages with modern facilities, trekking, etc.

We have illuminated natural caves like two Belum and Bora caves. Belum is very close to Bangalore in the district of Anantpur, 2 kms inside. It is a great hit. Every day about 8,000 people visit on holidays, 20,000 quite often from Karnataka side and Bohras caves in Visakhapatnam district and these are very famous illuminated natural caves and very good for trekking.

Of course, we do not have any big hill resort in Andhra Pradesh but we have small ones and the Hosli Hill which is quite famous has been done up with more accommodation. In Adaku Valley, we have a lot of accommodation and a popular kind of resort for people coming from the eastern side from Orissa.

Beach resort is a thrust area. Andhra has a 1,000 kms of coastline. Of course, Andhra's coastline is not friendly. So, KPMG again has identified 70 areas on this 1,000 kms which can be taken up. It has been taken up and is nearing completion. Many of the beach resorts are again under private participation. Let me tell you most of the projects have been taken up through private participation and we are happy to see a lot of interest by private people who otherwise have been spending money in construction, real estate, etc. And are coming forward to invest in Beach tourism. So, we have taken up in Visakhapatnam and Machilipatnam.

Some facts and figures. Now, I will deal with domestic tourism. If you look at the figures, these are in the ascending order. When in 1997 it was 3.6 lakh, 2001 5.2 lakh is the figure, it is going up. Foreign tourist arrival significantly has also gone up. Whereas it was 1 lakh in 2001, in 2002 it is 1.55 lakh. It is not our figure, it is the immigration customs figure. But then obviously because of more connectivity a number of airlines have started, especially with the Middle East, Malaysia, Singapore. We are getting a good number of foreign visitors.

Just to give you an impression what kind of projects we have privatized, we have privatized 36 projects in the last 2 ½ years, with an investment of Rs. 4,760 million. We have also entered into 14 MoUs in the last Partnership Summit in Hyderabad. The ones, which have been privatized already, include beach, lake and hill resorts. Family entertainment centres, Imax, there is a great demand for multiplexes in Hyderabad, theme parks. Then again Mr Appa Rao has mentioned somewhere about health tourism. Yes, there is a lot of demand for fitness centres. Kerala is known for Ayurveda but again Ayurveda means travelling to Andhra. Some of the Keralite companies have already set up Ayurveda centres in AP in different places.

As regards water sports, there are a number of lakes and water bodies in the state and some of those have been chosen for water sports. There are recreation parks and many other such things. We cannot talk just about four or five categories. They being unique, they come in from the imagination of the investors, from the conceptualization by the architect. So, the basket is very big, varied and vast.

We request the investors also to come up with their projects so that they have their own imagination, creativity. They have seen things around the world. So it is not a set kind of thing. We are very open to any project as long as it sells, is viable and will attract people.

Now, new projects are on offer. In Hyderabad and its surroundings, we have developed a concept of a very ambitious project called Mini India. Many of you might have seen this concept in places like Indonesia, Bangkok where the entire country has been produced through its unique selling points of different structures and different institutions. So, this is a very prestigious project in the sense that the design is ready. The concept is ready. If anyone really wants to take it up, we will welcome them. We want to show different states of India there through their uniqueness, their food, cuisine, their handicrafts, their culture, etc. In 100 acres of land, which is already available with us. We are shortly going to advertise and we have given the details of the project in the folder. The feasibility report has been done by Mr Nitish Rao who actually conceptualized the Ramoji Film City.

Shamshabad is an entertainment corridor. Again from Hyderabad, already private resorts have come up and we have also selected sites there for entrepreneurs to come and develop different types. Lake view resort and we have also conceptualized a health village plan near Vikhanabad. That is about 2½ kms from Hyderabad. So, there is the possibility of taking up different types of resorts, theme parks, etc. Around Hyderabad. I would not say in Hyderabad, in Hyderabad so much land is not available.

These are some of the concept designs. Well, I think Visakhapatnam does offer separate and special attention again from the tourism point of view. These are some of the projects on offer and Eco Park in a place called Madhuravada on the beach road. Its feasibility report has been done again by PKFER, it is ready. Then, there is an Ayurveda health resort in the same place near the sea, leisure and Recreation Park near Dolphin Snows. The feasibility report is also ready. So, these are the ones which we feel should add on in Visakhapatnam.

Vijayawada is another special tourism area on the main line, which will be connected and we have the Bhavani Island there in the middle of the river. We have privatized some part of activities of the island, but then the fitness centre there is a concept which we want to do. The Imax theatre in Vijayawada is also very important for film industry and Andhra culture also used to go to films in a very big way. So, we thought Imax would be a good project there and ropeway between the Kanakadurga temple and the island connectivity. We have already privatized two ropeways in the state, one in Visakhapatnam, and the other Tirupati. So, we are looking at the third one in Vijayawada.

This is a very interesting project. Again, the feasibility report is ready, done by Ferguson Company. Eco projects are on Pulicat Lake, that is in Nellore district but it is close to Chennai. It can be a good destination for the people of Chennai to enter Andhra Pradesh come to the lake and go back. It is farther away from Hyderabad, but an hour's drive from Chennai. It is a place where traditionally flamingoes come in the season and stay there for a couple of months. Otherwise also, the lake is a freshwater lake and the report includes positioning caravans, house-boats, water sports, watch towers, eco cottages, etc. Report copies are ready. Those of you who are interested, if you can approach us, we can also give you the relevant project reports. Because in the folder we have only given one page note of each project, but those who show a particular interest can be given the project reports also. So, these are the sum of all the components of this Pulicat Lake.

Srisailam has the main spot possibility. We are thinking of religious theme park there. Some concept plan is ready, land is also available. Visakhapatnam is another seat of Buddhist site. You will be interested in knowing that Andhra Pradesh has 140 Buddhist sites. Of course, all of them are not accessible from the tourism point of view, but we have identified five major sites for development in the next five years. Visakhapatnam, Thotlakonda, Babikonda, magnificently located on the hill overlooking the sea. Again, Ferguson was given the job of preparing the plan for us and it is available for anyone to take up.

As for incentives to investors, we are quite aware of the fact that it has to be a level-playing field between the Government and the private people and conditions had to be made friendly and accessible for investors. So, we had a look, we have a tourism policy and these are some of the components. Investors can do projects on their own lands and we can help them for clearances by a single-window method. Apart from that wherever we have suitable lands for tourism we give them on lease, rent or licence. Depending on the project and it can be maximum up to 33 years, extendable further depending on the nature of the project.

As regard partial exemption in registration fees, there is 70 per cent exemption in the registration of land. Loan facilities are extended from the Andhra financial institutions, that also we are escorting the investors by having joint meetings with financial institutions and investors. A project coordinator is provided, that is escort services, etc. Sales tax exemption is given depending on the nature of the project. Entertainment tax exemption is also granted, again depending on the nature of the project. Like for Imax we have given 5 years entertainment tax exemption. So, if anyone wants to take it up in Vijayawada he should also be eligible for similar exemption.

Whenever we are taking up a project and all for the sake of transparency and neutrality, for big projects, we are appointing a project consultant who is really scanning the investor's proposal, doing the financial model work and finally recommending. So, the consultant is also available to the private investor for consultation, guidance, etc, though we are appointing them. We have mentioned about single-window clearance, escort service, entertainment tax. There is no entertainment tax for amusement and theme parks. Many have been asking, is there an entertainment tax? There is no entertainment tax for theme parks and amusement parks, only for theatres like Imax, multiplexes.

For projects above Rs.10 crore, we go case by case? Ther is one additional incentive. Well, that is it. So, we request all of you to think of tourism as an area where investment is possible, where it is viable. Tourism is not for the elitist class only. It creates tremendous job opportunities, creates lots of revenue, and finally tourism projects can be viable commercial projects.

Thank you.

## Participant

I am from Hyderabad but have settled in Australia in Sydney. In the southern hemisphere there was a lot of future. I just incidentally mentioned that I was the member of the Australia India Board of the Federal Government of Australia and this is surprising and interesting that they have invited the Chief Minister to come to Australia about three years ago. I met him as well and I can understand the difficulties he is facing and the time factor.

I want to mention two things. Being a doctor, I want to mention something about the two important projects he mentioned, big pharmaceutical industry and also he mentioned 12 hospitals. I am aware of he hospitals. The second thing is tourism. We did write to the Australia-India Board to put a scheme for purification and recycling of water in Hyderabad, twin cities. Somehow, it did not take place but there is still scope to look to Australia for these developments.

Coming to the medical aspect of it, I have raised this issue with the Indian Medical Council when they came to Australia. Health being a state subject, there is a question of quality assurance and also accreditation of the hospitals which is important because this is the biggest industry, as far as I am concerned and people's lives are at stake. Therefore, I appeal to all the members here that we should settle a process of quality assurance, as well as the accreditation of the private hospitals. We are not looking at the government hospitals.

Just a brief mention, it is not my project. I am not an investor but as an NRI whatever I can do for Andhra Pradesh there are many others they can do a lot more than what I can do but what I am suggesting is following the disaster for the South-East Asian and Australian people in Bali. Hyderabad would be a great site to really build up the tourism spot. I thought I will just mention this, but I can always carry the feelings from here, still report because I am not a member anymore of the Australia-India Council. The counterpart is also in Delhi.

We will try our best and we appeal to the Chief Minister, one day he should find time to visit Australia. We had a few ministers coming to Australia, but I find them in a smaller numbers. We would like more and more industrialists as well as the government officials to visit Australia. There is a lot of scope. Australian population is small, but they can always do something for this country.

Thank you for the opportunity for letting me speak here.

## Mr Mohammed Baker

I will take two or three minutes because I represent 350,000 Hyderabadis or Telugu people who are working in the Gulf countries and they have certain genuine problems, which are to be represented. I have made an attempt, I have prepared a paper and given it to the Hon'ble Minister, but there are certain important points, which I again want to emphasize. I have made an attempt to highlight the difference between the major groups of NRIs in the Gulf countries and NRIs working in and residing in the western countries. NRIs returning from the western countries come back not only with sizable funds but also with some technology and collaboration agreement with established manufacturers in the western countries. On the other hand, majority of NRIs returning from the Gulf countries return with limited funds which are hardly sufficient to meet their basic needs of housing etc. And they find it very difficult to rehabilitate themselves. While a small percentage of Gulf NRIs from Andhra Pradesh could invest their savings in setting up SSI units, it is a matter of great concern indeed that 90 percent of these units have miserably failed and are either sick or closed. The main reason for this state of affairs is the lack of proper guidance and assistance.

The first corporation, which was formulated by Andhra Pradesh, Andrich, has been closed. Why the Government is not reviving that is due to lack of proper guidance and assistance. The other thing the Government of AP had kept 10 acres of land at the disposal of Pulikutuskhsa Urban Development Authority to be allotted to NRIs who are ARJA members. Those 23 NRIs are still waiting for infrastructure for the last eight years and they could not establish their industries. This should be revived, I request the Hon'able Minister to pass on this message and get this thing done. Under the able and dynamic leadership of our chief Minister, he has taken and I request him that the state of Kerala what they are doing for NRIs in the Gulf countries that should be studied and implemented in Andhra Pradesh. Schemes like pension, insurance should be formulated so that the Gulf NRIs who are from the middle class they are benefited. But if you talk of only western NRIs then where this 350,000 Gulf NRIs will go because of the jobs they are having very hard time over there.

The other thing which I feel is very, very important, is the problem of education of their children. You know the higher fees is charged for professional courses that should be streamlined and that should be made to suit the Gulf NRIs so that they can educate their children because education is the basic right of all Indians. You should see Indians as Indians and you should formulate qualities which are effective. You should have governance which can effect your people to bring them



in the mainstream. So, I request that all these things should be addressed and the grievances of the Gulf NRIs are looked into by our Government in a proper manner.

Thank you very much.

## Dr Venu Gopal

Thank you for today's presentation. May I congratulate the Hon'ble Minister for presenting such a beautiful vision of Andhra Pradesh to make it a Swarna Andhra as a goal set by 2020.

My name is Dr Venu Gopal, I am from UK. I have been in the UK for the last 40 years and it is a pleasure to come to these particular celebrations of Pravasi Bharatiya Divas. I singularly noticed that most of your projects are confined to already well-developed places like Vizag. I singularly noticed that there is no project of encouragement in Telangana area because I come from Nalgonda district. I only saw one project. It is a leather factory or something. The vast area of Telangana has been neglected for giving incentives or developing projects within the Telangana area. I wonder, Sir, why that region does not deserve the encouragement of this Government to produce projects, to give, as you said, a labour to give some income and to improve the area. That has been a very particular observation I thought within all the presentations both from industry level to tourism.

Sir, I just wondered whether the Minister would give his opinion on that.

## Mr Y Ramakrishna Naidu

Shall we respond to each and every question? Then, we can go to the next person. That will be easy for us to answer.

So, regarding the first question, which has been raised by our friend who belongs to Hyderabad. So regarding twin cities water supply, we have already called for tenders at a cost of Rs.1,700 crore. The tenders are being finalized. The Government has got a lot of commitments to bring water from Krishna for the supply of drinking water and other facilities to twin cities and money has been tied up already.

So, with regard to health facilities we already have so many hospitals in the private sector just like Apollo and Care. Care is very popular and other hospitals are also there. If anybody is prepared to have this hospital industry in our state, they are welcome and we will definitely extend our cooperation.

The third issue of problems with regard to the NRIs in the Gulf countries, I request the respected delegate to submit in writing what are the problems they are facing. Then, we could take them up with the Government of India. Whatever is possible at the State Government level we will sort out.

With regard to the fourth thing no project in Telangana, it is not correct. The statement is totally incorrect, because we have projects in Nalgonda, we have projects in RR district, we have projects in Warangal, we have projects in Medak, we have projects in Hyderabad. All are in the Telangana area. If you see the economy also, our secondary sector is dominating in the Telangana area. So, most of the industries are located in and around Hyderabad and most of the districts of Telangana. So, our industrial investment is mostly in the Telangana area only. So, a small bit of industries are there in Visakhapatnam. So, apart from Visakhapatnam most of the industries are in the



Telengana area only. So, I would like to inform about the actual position and then we will go to next.

So, Warangal is the industrial harbour where we are developing so many parks. And we are going to have an industrial corridor between Warangal and Hyderabad also. As on today also, we have got a number of industries in the Telengana area. So, further also we want to invest more amount and because it is very near to Hyderabad, which is also right now in Telengana.

## Dr Jaganhalli Nenia

I am Dr Jaganhalli Nenia. I am a physician from the United States. First of all, I would like to congratulate the entire team of Chief Minister Naidu for making Andhra Pradesh the premier State in India. Appa Rao had already mentioned, we have one of the best roads in India. However, India has the worst record, has the worst death rate from motor vehicle accidents in India and I came to know that Andhra Pradesh is third or fourth state as far as the death rate in India is concerned.

Experience in the United States has shown that establishing Emergency Medical System has reduced the death rate by 37 per cent. And I just like to know what steps Andhra Pradesh State has taken to reduce this death rate from accidents by implementing the Emergency Medical System.

Hyderabad has also become the medical capital or healthcare capital of India. However, all these corporate hospitals provide healthcare only to the rich people or for paying patients. And with the advent of corporate hospitals, teaching hospitals have been completely neglected. This is not only affecting the quality of care of the poor patients, but also affects the quality of medical education for the undergraduates and postgraduates.

The Guntur Medical Alumni and Osmania Medical Alumni have presented the proposal to make these teaching hospitals semi-autonomous models like NIMS to provide more private beds and also give incentives to the qualified doctors to stay in the hospitals. So in that way, they can improve the patient care as well as the teaching in the hospital.

My third question is that all the development is in the urban areas. The majority of our population lives in the rural areas and I would like to know under Janmabhoomi Project, whether the matching funds are still available for NRIs to invest. For example, if I adopt a village, is the Government going to make 50 per cent of 70 per cent of the funds and that's where we need a rural development. Most of the people are from the rural areas here. We would love to adopt our village. I would like to know whether that matching fund is still available.

And, finally, I would like see this Swarna Andhra to be the Sampurna Swarna Andhra, all the areas of Andhra Pradesh to be developed.

Thank you.

## Mr Y Ramakrishna Naidu

To answer your question, first of all, I would say it is Sampurna Swarna Andhra Pradesh. Swarna Andhra Pradesh means it is Sampurna because we want it to develop in all the sectors.

We don't want to leave a single sector without any development. So, you have given a



very good suggestion like Emergency Medical System which has been adopted by the US Government. Here also, we will try the same experiment.

The second thing is because of corporate hospitals only rich people are getting treatment whereas the poor people are being neglected.

And the third point you have raised is in the rural areas there won't be any good hospital facilities.

The fourth point you raised is any matching grant to your investments. So, there is a matching grant in Janmabhoomi itself. We have been investing a lot of amount in Janmabhoomi itself. We have a provision of matching grants, whoever contributes anything, either locals or any NRIs, we do have that facility of matching to any investment. So, not only in Hyderabad and in other areas, district headquarters we have a system of developing a number of private hospitals. So, another corporate hospitals when they are doing service to the rich people we have got a stipulation by which they have to treat even poorer sections also. We have prescribed that about 20 per cent of their services should be extended to the poorer section. So, that has been monitored even by the Government led by the Committee. So, that, to some extent, is under implementation. But as you said some evasions are also there which are being taken care of by the Government from time to time.

We are contemplating to have about nearly 19 to 20 hospitals in the private sector which have got a facility of teaching. We are going to have those hospitals in different areas just like district headquarters and sometimes they are in the rural areas also. So, those hospitals are coming up.

There is one query by Mr Rao with regard to crop failure insurance. So, we already have the system of insurance wherever crop has failed, wherever there is no crop. And other benefits are also there which are being extended to the farmers.

## Mr Ziauddin

Yes, good afternoon. My name is Ziauddin. I am representing the NRIs Gulf Forum. Just I have a few question for the Hon'ble Minister. There are 3,50,000 people from Andhra Pradesh working in the Gulf area and all the NRIs are appreciating the TDP Party and the development in Andhra Pradesh. But one thing is that the Government of Andhra Pradesh has always ignored the NRIs. Whatever the proposals we submitted to the Government of TDP in Andhra Pradesh during the last about five years, not a single proposal has been accepted and not a single proposal has been implemented.

About seven years ago, Andrich was there to look after the NRIs' problems. So, now our contribution from the Gulf area is one billion dollars every year which we are remitting to Andhra Pradesh. This is the figure because I am a banker. I have all the statistics on the investment in Andhra Pradesh from NRIs. When the NRI community is investing one billion dollars then we are expecting something from the Government also. So, we submitted several proposals to the government and not a single action has been taken. So, we again, for the last one year, are requesting the Andhra Pradesh Government to form an NRI Minister in Andhra Pradesh so that we can channel all our proposals through that Ministry. Whenever we approach the different Ministry, there is not a single action from the Chief Minister as well. So, like in Kerala government they have already appointed an NRI Minister and NRI Ministry. A similar Ministry should be opened in Andhra Pradesh because NRIs of Andhra Pradesh in the Gulf are number two. So, we have about 3,50,000 NRIs, and so there are several problems.

The first example is education. Our children are going to the Indian Embassy schools

in the Gulf. They are following the syllabus of CBSE of Delhi and after their 12<sup>th</sup> Grade they cannot sit in the Entrance Exam. What a lousy system it is in Andhra Pradesh? Why our children cannot sit in the Entrance Exam to get an admission in the professional colleges? They are Indians. They are following seriously for 12 years and the Government is not allowing them to sit in the Entrance Exam at par with the local students. We don't want any favour from the Government, not from the State, not from the Central. We want justice. Like our students are educating in the Gulf State and they are following the CBSE system and they should be allowed to sit in the Entrance Exam at par with the local resident students. If they are qualified, they should be admitted in the professional courses. How can we pay 40,000 to 50,000 dollars as donation? In the Gulf, majority of the people are the labour-class people. They don't have such type of deposits or investments to invest about 40,000 dollars for medical seats, which is impossible. So the Government should look into this one, and there are other issues.

There are a lot of investment companies and the banks have failed in Andhra Pradesh. So, where can we invest our money? On the one side, you are issuing the licences to the investment companies and banks and on the other side the banks and investment companies fail. A lot of NRIs are losing millions of rupees in Andhra Pradesh.

And my third question is about the investment and the interest rate. The Government of India, as well as Andhra Pradesh reduced the interest rate for NRIs. Earlier, it was 2 per cent extra rate for NRIs to compensate on the foreign exchange. But for the last two years the rate has gone down. NRIs investment in the bank has the same rate what the residents are getting. So, these are my few questions if the Hon'ble Minister can answer and clarify these questions.

## Mr Y Ramakrishna Naidu

You have said that there are certain projects which the Andhra Pradesh Government has not solved. So, I would like to know the details why those are not being solved. So, if you can give those details, then I will work these out what best we can do.

The second thing you said about one billion dollars remitted to AP. It is very nice. So our idea is that wherever this investment is there by NRIs then we want to extend full cooperation. While extending full cooperation, we have to observe certain rules and guidelines. So, we have a system of democracy. We can't go beyond certain things. But as far as possible, we want to extend all cooperation and all support to the investors so.

Then you said about NRI Ministry as in the case of Kerala. Again, anyway we have got Industries Minister for major and minor industries. You can directly contact him and if you have any problem then you can contact me or you can contact our Industries Minister or if you are interested in any particular field now we will provide that and you can meet the Chief Minister. We will solve all these problems.

Another thing is the education system. That we will sort out. If necessary, we will take it up with the Government of India.

So, interest rate also has to be accepted by the Government of India. If you give me in writing, we will try to solve the problem by taking up with the Government of India.

Thank you very much.

## Mr Ratnam Kumar

My name is Ratnam Kumar. I live in Houston, Texas where I have been teaching Kuchipudi for the last 27 years.

This question is addressed to Madam Chandana Khan. What is being done to improve the way to Ramappa Temple? If anything is being done in the particular area because my last visit was a kind of a disaster.

And the second question, I was born and raised in Chennai and a lot of artistes are sent by the Government to the United States every year. But I do not see any artistes- and I know there are great ones in Andhra Pradesh - coming to our country at all. And in the field of the arts, I am sorry to say, there has been lack of exposure and recognition and also artistes who are trying to propagate Andhra culture outside of Andhra Pradesh have not often been recognized for their contributions. And I just wonder if anything is being done to rectify this lack, if you could answer me, madam.

## Ms Chandana Khan

Well, before I answer your different questions, let me tell you that Kuchipudi village, which is in Krishna district, has been decided to take it up to develop it as an international centre with the Government of India budgeting. So, that is one good thing that Kuchipudi being the classical dance form of Andhra has been aptly recognized by the Government of India for funding the centre in that village and propagating the art.

Coming to your question about what is being done about sending cultural troupes to USA, we have already been sending from time to time. Last year when there was the Ghana Conference, we had organized cultural shows. We are not sending, of course, so much to USA. But whenever we are doing roadshows in the Asian countries for tourism every time we are taking a cultural troupe or folk dancers of Andhra or classical dancers so that tourism is a part of culture and culture is a part of tourism. We showcase Andhra Pradesh through the dance forms. That is being done and we have already taken troupes at least to ten countries so far.

Your another question is recognition of artistes. From time to time, there have been several awards. Now in this month, we are giving identity cards to all dance and music artistes so that they have an identity card and they get correct kind of recognition everywhere. Kuchipudi is being promoted everywhere not solely as a kind of dance show, but as a part of different shows. We will be happy to send further groups USA whenever there are special occasions.

Your first question on Ramappa Temple. Yes, Ramappa Temple was ignored for some time because of extremist activities in that area, Many tourists were not going. That is one reason, maybe when you went, because we had a guesthouse, it was blasted, certain things had happened. But now it is comparatively safer and heritage preservation has been taken up. I hope next time you go, you will find better things there.

## Prof Shiva

I am Prof Shree Shiva. I am in New York for the last 27 years. My question is to the Hon'ble Minister for Finance. Before coming to this Pravasi Bharatiya Meeting, I met Hon'ble Gary Ackerman and I met Hillary Clinton, US Senator, he is our Congressman.

I asked them we want to make Hyderabad a city plenty of water like New York and

## Mr Iftekar Sharifa

Visakhapatnam. Gary Ackerman said, "We have lots of funds, PLO funds and other funds. Ask your Minister how much he wants. I will provide it." And Hillary Clinton loves India and Clinton loves Hyderabad. Thank you, Minister.

This question is directly to Hon'ble Minister Ramakrishna Naidu. My name is Iftekar Sharifa from Chicago and a native of Shamshabad, the Airport town. The question is directed to the Finance Minister. I am also in the financial industry.

My interest in Hyderabad or in AP is in the credit card processing business as well as in the banking. So, what laws are involved. I would like to get all the details in opening up a bank, as well as in the credit card field.

Being the landowner, NRIs are not supposed to be landowners, but I guess with my wife and family we do have land. We would like to develop a 5-star hotel near the Airport and what has to be done and who would be the contact and so forth.

Last but not the least, one suggestion is I see everybody here having questions in different areas. I strongly feel that there should be one window of operation in Hyderabad or somewhere in AP where an NRI could go in and meet everybody and discuss the investment opportunities at one place instead of going to 30/40 different departments.

Thank you.

## Mr Y Ramakrishna Naidu

With regard to 5-star hotel near the Shamshabad Airport, which is proposed now, it is going to be developed very fast. We have already got the clearance from the Government of India and some other sources. The construction of 5-star hotel is welcome. Our Secretary Tourism will react to your 5-star hotel question, how the clearances would be given. Already, a display has been made in presentation that for 5-star hotels some luxury tax exemption be given.

So, with regard to credit card processing and banking these are regulations made by the Reserve Bank of India. So, if you come up with the proposal, we will try to cooperate with you and see that it is being done. To open a bank, there won't be much problem. But we have to get clearance from RBI, which is under the control of the Government of India. Anyway, we are going to have Hyderabad as a financial district, where we are getting some financial institutions, as well as insurance companies. We have got so far a number of insurance companies there itself. Land is also available. So, one-window system which is for NRIs exclusively will be got examined.

Thank you.

## Mr Shankara Yatmala

Sir, I would like to congratulate for the wonderful presentation you have done. I am really impressed. My name is Shankara Yatmala. I am from Australia. I have been teaching with Prof Laxmanna in the Extension and Community Development in Australia for the last 30 years. I am also a Director of International Programmes for the Rotary Club. What is missing in the whole plan - maybe you have not presented to the gathering here is how to involve the NRIs in a Janmabhoomi programme. People have come from various villages. Even if they visit a school to say that the guy from this little town went abroad and achieved something. We will give a hope about it.

What I would like to suggest you, Sir, maybe I will talk to Prof Laxmanna afterwards, is to develop a plan for sustainable development at a micro level and a regional level, not a mega project. We do need these projects and I am an admirer of the Government, which has been doing a tremendous work, and I am proud of it. But what I would like to see is the strategic plan for involving NRIs. We have got doctors, teachers, professors and everyone and they come for holidays here. They go to a village and come back and go to a hospital or go to a 5-star hotel. But engaging in economic activity, education and health activity, I will be delighted to provide further information on this stakeholder participation of Rotary Club, Lions Club, you name any club they are available. But we have got a lot of problems that are available. So, please do consider this to include this in your next presentation.

Thank you.

### Mr Y Ramakrishna Naidu

Thank you very much. From the beginning of the times, we have started the general programme our Government has been telling that NRIs can participate in their villages in whatever way that is possible. Even in recent times also, our Chief Minister has appealed to all NRIs that they can select their own places under the "Janmabhoomi" scheme and they can invest for which matching grant is also being given. That the scheme is there and we have been requesting, we have been appealing to all NRIs. They can invest in their own places. So, this is nothing but a micro-level development project. The Janmabhoomi programme is very successful in our state and we have been spending crores of rupees in our areas and the local people are also contributing something like 30 per cent, 20 per cent, and 10 per cent like that.

Even in weaker section colonies we are reducing the contribution component also. So, that's why we are not appealing or not requesting anyone, but we have been consistently requesting all NRIs. So, in response to our request, some work has been done in certain districts. For example, in Krishna certain people have invested. In Guntur also, certain people have extended their cooperation. Once again, I appeal to all NRIs to invest in micro-level development. That is being taken up by way of various schemes like Janmabhoomi programme and others. So, you are always welcome to invest even in your village either in education or in a water scheme or in road development or in any other area.

### Ms Chandana Khan

Just one or two points. The Minister has already mentioned about the hotel that someone wanted to set up a 5-star hotel. There is luxury tax exemption. And I have shown if the investment is more than Rs. 10 crore and obviously it will be more than Rs. 10 crore and all for a 5-star hotel wherein special incentive is given, i.e., negotiated on the basis of the project. Apart from that, clearances are taken up by the Tourism Department so far as hotels are concerned. We are welcoming hotels in Hyderabad. Occupancy of hotels in Hyderabad compares very favourably with the occupancy in the rest of the country. Right now, occupancy is always between 65 to 70 per cent. It is considered to be high compared to 55 per cent all over India. There is more scope for hotels and you are welcome.

### Mr Ashok Kumar

My name is Ashok Kumar from the Middle East. My question relates to the IT sector. In the IT sector, I want to invest for Internet telephony, for a hardware project in which I am finding difficulty. The TRAI regulation says call termination is not permitted to India.

It is helping the money to be pumped out of India. The calls are made from Internet telephony from India to outside countries. So, our money is flowing out.

We want the call termination to be allowed in India in which I am stuck up. I am unable to go further on this project. There may be a security reason. Yes. They said Internet telephony cannot be tapped. In this new generation, the Government can permit the call-terminated operator to give a back-up and in the exchange itself the server can be fitted into. Okay. Now, I am calling out from anywhere in there, I mean Internet telephony to global telephony. They have fixed prices. We call from anywhere to anywhere. So, if I call India I am supposed to pay 50 cents per minute, whereas if I want to call America I only pay 5 cents. By allowing this call termination, the price can be brought down.

According to my survey, NRIs spend 5 per cent of their income. I spend 10 per cent of my salary to communicate with my family and children. Please do consider the call termination to be permitted in future. So, have a device for a PC. Now, you have to have a computer to have a PC-to-PC conversation. Have a device which can be manufactured in India, which can be kept in your pocket, just put it in your pocket. You need not carry or display your screen or such a big PC or notebook or anything. Just put it in your pocket. You can go ahead anywhere. You can continue. So, call termination is to be considered with proper recording back-up for security reasons. And we are ready to pay to the Government for every minute.

## Mr Y Ramakrishna Naidu

Okay, your concept is well taken. But the issue of communications is with the Government of India. That we have to take it up with the Government of India. Yes, your concept is very good and its application is a new technology.

## Mr Pundari Chembitingati

I am Pundari Chembitingati. I am practising gastroenterology in Los Angeles, California. I compliment you for a great presentation. It was very inspiring. In fact, the change is palpable when I go to India. When I come here at least twice a year I see the change. The question is about this single-window policy. Do I have to go to the concerned department if I have to show my interest or do I just go to one single place and gather the information.

## Mr Madhava Rao

I am Madhava Rao. I represent Varkey Group and Global Education Management Systems and I had one of the largest schools in Dubai with 8,500 students. My point is about the affiliation laws, to remove that kind of no-profit-no-loss. Otherwise, what happens is we have to come in some other disguise and then do business. We are prepared to pay income tax and we would like to have the affiliation without that clause, no profit. Business is for profit and we want obviously that clause to be removed.

The second thing is the parents from the Gulf have been pointing out about the Entrance Examination. There are two things.

The Central Board itself conducts entrance examinations in medicine, but the Government of Andhra Pradesh doesn't accept that and they started medical and other examinations.



## Mr Y Ramakrishna Naidu

A student has to be within Andhra Pradesh for three to four years before he can appear for an Entrance Examination within the State. That perhaps is unfair to NRIs, particularly from Dubai who are Indian passportholders. Please help us and see that the clause is removed.

Thank you, Sir. And we had the honour of having you at our school.

We have international schools also. They are doing very good development in education. On the same analogy, if they come then affiliation loss and other things can be sorted out. There won't be much problem.

## Dr K R Raju

I am Dr K R Raju. I am an Ayurvedic Physician. I am staying in Holland. Of course, I came with some projects over here. Now, I am staying in Delhi in the Maharshi Ayurveda Arogya Dham.

Ayurveda is making great improvement and I myself trained so many western doctors in all different countries in Europe and in USA. There is a lot of progress, a lot of improvement. I don't know how much and what it is happening in the medical field. When I was entering, I heard something about the medical colleges and all these things. But definitely investing in Ayurveda is very useful and it will bring fame to our country. And particularly so far what I have seen in South India, Ayurvedic system is very well established.

Andhra Pradesh is really famous for these fields. All aspects of the Ayurveda are well covered. And in Srisailem it is so famous and Nagarjuna is known everywhere, alchemy. Actually it, is in Italy I heard about it, but they also don't have the knowledge. And Andhra Pradesh is the real place for all aspects of Ayurveda. So, this will be a very good aspect. I can hear about this and I came with the project of establishing 200 hospitals all over India. So, if there is any proposal in Andhra Pradesh, I will be glad to know.

Thank you.

## Mr Y Ramakrishna Naidu

In fact, we have got a different department of Indian medicine which deals with Indian medicine, Ayurveda, homoeopathy, etc. If you have any particular project, you can give us, we will sort out the problem.

## Ms Chandana Khan

Mr Raj, you spoke about Ayurveda. I just want to mention two things. Like Kerala has promoted Ayurveda under tourism, in Andhra also we are promoting it. Already, one institution called Shantigiri Ashram has set up five Ayurvedic centres in Andhra Pradesh, Hyderabad and a few other districts. We are looking for setting up and even some private resorts. They have taken franchise from this Kerala company and they have set up their Ayurvedic centres with private initiative. You came late. I also mentioned that we are definitely looking for big Ayurvedic resorts in places like Hyderabad and Visakhapatnam as wellness centres so that tourists also come for de-stressing and rejuvenation. If you are interested, you can certainly come to us for setting up such centres.



## Mr Sayed Masood

Hello, good afternoon. My name is Sayed Masood. I have been working in Saudi Arabia for the past 26 years.

Most of the major questions have already been asked by my friends, Mr Mohammed Baker and Ziauddin. But I have one suggestion. Out of 3,50,000 NRIs working in Saudi Arabia, 50 per cent of them are sending their money through Havalas. You know why? This is the major thing here. If the labourers have to go to the bank, to buy a draft and the draft has to come because they are illiterate people and it has to go to their banks and they deposit it in their account. It takes 15 days, sometimes 10 days and it will be a difficult thing. If the Government of Andhra Pradesh has any agencies or something like that for fast deliveries, another 500 million dollars will come as foreign exchange to the Government of Andhra Pradesh.

And one more thing is that lots of agricultural lands are vacant with the Government of Andhra Pradesh. If they give NRIs these agricultural lands at a reasonable price, many of the NRIs would be interested to have these lands for cultivation, for agricultural development and other things. This is just a suggestion. And, moreover, if they can have an NRI township for NRIs from the Gulf because these people ultimately have to come back and settle in their own States, in their own towns. So, at least they have all the facilities with schools, hospitals, roads and things like that. This will be a very, very important suggestion to you.

Thank you.

## Mr Y Ramakrishna Naidu

Your suggestion is a good one. So, already our friend has given some representations and issues which are to be tackled by the State Government level, as well as at the Government of India level. We will take up these issues. But another thing you have said about a lot of agricultural land which is vacant and which belongs to the Government. I don't think government agricultural vacant land is not available. Vacant land is available, not government agricultural land.

So, another thing is township. We can work it out, no problem.

## Mr Kirtikumar Ravroi

My name is Kirtikumar Ravroi and I represent APANA stands for Andhra Pradesh Association of North America. It is a very vibrant organization which promotes Andhra Pradesh. In fact, actually we have our distinguished colleagues also from Chicago, who promote Andhra Pradesh in a very exciting way.

In view of the dual citizenship announced by the Prime Minister and likelihood of it being passed in the Lok Sabha, what newer incentives are being envisaged to be incorporated that would make the investment policy a lot more attractive?

## Mr Y Ramakrishna Naidu

And, first of all, I thank you and your organization for promoting our Andhra Pradesh in the world and in your area where you are living.

You said about new incentives to the industries which are coming up. So, we are



working out incentives based on the project which is coming up in Andhra Pradesh. about certain incentives as far as projects above Rs. 100 crore are concerned, we have got specific incentives which are already displayed by way of presentation.

With regard to projects which are below Rs. 100 crore, we are giving only non-cash based incentives like infrastructure facility and other things. But if you have any new projects, which are likely to come up in Andhra Pradesh, project-based incentives would be given.

## Mr Ram Kuluri

Hello. I am Ram Kuluri. I joined from Chicago with my colleagues. My interest is not an investment per se, but it is a necessary evil because in the world about 4 to 4 ½ billion people will have problem with sanitation. And water is a serious problem throughout the world. Hyderabad has a large group of engineers and bioecologists who can solve waste water problem with their capabilities. If we want to establish an institute of the world calibre whereby cheap professional labour can be sold to other countries, how amenable will be the Andhra Pradesh Government? Luckily, lots of Andhra Pradesh people abroad are holding very good positions in very major organizations of the United States. Given that, please give me what is that you can do if we want to establish a big Research Centre of the world calibre.

It is not just a part of life. It cannot be characterized as Life Sciences because it is a multidisciplinary approach for water and wastewater including chemical engineering, engineering and various other things. So, it has to have a separate statue because the problem is very, very vast and probably with the NRI funds we can pitch in some. But as Dr Shiva told just a few minutes ago and we have some, right here Mr Ifkar Sheriff, Kirtikumar we have connections in the State of Illinois too at the Governor level as well as at the Attorney General level. We have been working for it in promoting Andhra Pradesh.

So, if you can give a boost to this kind of a project, we will canvas it all over the world and I think the gentleman from Australia was talking is a TDA project which is coming up pretty soon regarding Hyderabad water recycling in which I am really interested.

Thank you.