

## **Statement on Comprehensive Development**

### **and Location of Capital for the State of Andhra Pradesh**

The Andhra Pradesh Reorganization Act 2014, which came into force on March 1, 2014, provided for the reorganization of the existing state of Andhra Pradesh. The formation of a new capital city - critical for its administration, economic development, and cultural integration – is an immediate priority for the successor State of Andhra Pradesh. Acknowledging the injustice done to the successor State of Andhra Pradesh, the Hon'ble Prime Minister of India, Shri Narendra Modi, has himself assured the people of the State complete support of Government of India (GoI) for creation of a world class capital city. The Government of Andhra Pradesh (GoAP) have already initiated a very rigorous process, involving world's leading urban development professionals, to conceptualize, design, plan, and build the new capital city.

In addition, in accordance with Section 6 of the Act, on 28.03.2014, the GoI constituted "an expert committee to study various alternatives regarding the new capital for the successor State of Andhra Pradesh and make appropriate recommendations". The five member expert committee, headed by Shri KC Sivaramakrishnan submitted their final report to the GoI on 27.08.2014. The Government has examined the report of the Committee in detail. The Committee has studied



multiple options, and also highlighted the need to ensure balanced regional development. The Committee has explicitly acknowledged that the “decisions regarding capital city or location of capital functions is a prerogative of the AP Government in consultation with the Central Government”.

In this context, the Cabinet of the Government of Andhra Pradesh met on 01.09.2014, and resolved

**To locate the Capital City in a central place of the state, around Vijayawada, and to go for decentralized development of the State with 3 Mega Cities and 14 Smart Cities. It is proposed to go for Land Pooling System to be worked out by a Cabinet Sub Committee.**

This decision of the Cabinet is a reflection of the popular sentiment, and is affirmed by views expressed in the representations received by the Sivaramakrishnan Committee itself. Nearly 50% of the representations received by the Committee favoured Vijayawada-Guntur region as the best location for the capital area.

In this context, as resolved by the Cabinet, the State Government is of the opinion that the interests of the entire state and its balanced development can be best served by locating the capital city at a central place around Vijayawada. This would enable equal access to people from all regions of the State.



In fact, the balanced development of all the regions and districts of the State is the foremost priority of the State Government. It has already proactively initiated several measures and projects to achieve this objective.

Despite daunting challenges, the State government would like to convert the crisis into an opportunity. It has already taken up several important political steps to strongly signal its commitment to a balanced regional development of the entire State. The first meeting of the Legislature Party to select the Chief Minister was held at Tirupati, the swearing in ceremony of the Cabinet was held at Guntur, the first Cabinet meeting was held in Visakhapatnam, and the first Independence Day was celebrated at Kurnool. It has also been decided to hold the Independence Day each year at different district headquarters.

The A.P. Reorganization Act 2014 has done great injustice and deprived the State of a level playing field. The bifurcation was affected in a hurry and without proper consultation with all stakeholders. Assets and liabilities were distributed between two states to the great disadvantage of the successor state of Andhra Pradesh. The parameters for distribution of various categories of resources were decided arbitrarily – assets on location basis, liabilities and personnel on population basis, power on consumption basis, and All India Service officers on 13:10 ratio. In all these cases, the norms of distribution adversely affected the interests of the successor State of Andhra Pradesh.



Hasty formulation of the Act has resulted in serious confusion with respect to several Schedules and Sections of the Act. The manner in which the division was done has humiliated the Telugu people and has deeply hurt their pride. This feeling of insult was reflected in the recent electoral mandate.

The fact that Act did not contain the provision of framing of rules rendered it ineffective with regard to many crucial aspects. The confusion on the division of Schedule 9 and Schedule 10 institutions remain unresolved. We have forfeited several institutions and have been encumbered with a huge financial deficit. The Act left the execution of Polavaram Project facing considerable ambiguity. The new Government had to clear the ambiguity by amending the Act and including into Andhra Pradesh the seven mandals likely to be submerged by the Project.

However, the state is endowed with rich natural and human resources. The people are known for their entrepreneurial spirit. In order to overcome the challenges posed by the bifurcation and realize its potential, the Government has decided to adopt a mission approach to development.

The Government is launching Seven Missions, Five Grids and Four Campaigns in order to take the state on a speedy path of development.

The Missions cover:

1. Primary Sector
2. Urban Mission with Smart Cities
3. Industry Mission
4. Infrastructure Sector
5. Service Sector
6. Skill Development Sector and
7. Social Empowerment.

In order to give universal access to Water, Power (24X7), Gas (every house), Road (every village BT) and Fibre Optic-Broadband Connectivity, the Government will launch five grids. To make development a people's movement we have launched four campaigns.

1. Pedarikam Pai Gelupu
2. Polam Pilustondi
3. Badi Pilustondi
4. Neeru - Chettu



The Government has done a comprehensive study of prevailing conditions, potential, and economic growth strategies of each district and formulated clear district development plans. These plans combine milestones and targets for both improvement of social indicators and Gross District Domestic Product (GDDP) and Gross State Domestic Product (GSDP) for different sectors. It shall be our endeavour to use the seven missions, five grids, and four campaigns to help all districts realize a similar level of GDDP.

For Anantapur district and other areas in the State that have low rainfall, the plan focuses on drought-proofing through improved water management and agricultural practices like the use of drip and sprinkler irrigation. High quality 24x7 power supply for the industry is expected to support a huge expansion in manufacturing activity. Textile clusters from fibre to cloth to garments are planned for the cotton growing districts of Kurnool, Anantapur and Guntur. An attractive Electronics and Hardware policy has been approved by the Government to give an impetus to electronics and hardware clusters. Initially, such clusters are expected to come up in Anantapur, Nellore, Kakinada and Vishakhapatnam with as many as 20 clusters planned over the next five years.

The tourism potential of beaches, hills, temples, water bodies and wild-life sanctuaries is proposed to be tapped in most of the districts with well-planned tourism circuits. The State government also proposes to



develop industrial townships at Donakonda (Prakasam), Owk (Kurnool), and in Anantapur district. While Kadapa is positioned for a steel plant, cement factories are planned for Kurnool as well as Kadapa districts by tackling the bottlenecks and promoting suitable clusters and industrial zones.

Improved air, rail, and road connectivity is planned for all districts, to position Andhra Pradesh as a logistics hub and lay the foundation for rapid growth of economic activity. Road connectivity from each of the Rayalaseema districts to the new capital as well as to ports will be improved significantly. The government also proposes to leverage the strong agriculture base of the State and create conditions for enhancing farm incomes by establishing a Food Processing Park in each district.

Similarly, port-based development will be taken up in the coastal districts and industries that benefit from proximity to ports, beaches and marine products are expected to be set up here. Vishakhapatnam is planned as a major IT hub, while IT clusters will also come up in Vijayawada, Tirupati and a number of other cities and towns. LNG terminals at Kakinada and Gangavaram ports are expected to give a fillip to gas based industries as well as the petrochemicals sector. Similarly, setting up of a new refinery and cracker unit at Machilipatnam is being explored. Industrial clusters covering the full supply chain, ancillaries and supporting markets in several industrial sectors, will be promoted in a pro-active manner.



In fact, the AP Re-organization Act 2014 itself makes several commitments for the balanced regional development of the successor State of Andhra Pradesh. Its Section 46(2) promises benefits and incentives in the form of a Special Development Package (SDP) to the backward areas of the State. Section 46(3) provides for adequate incentives in the SDP for Rayalaseema and North Coastal Andhra Pradesh.

Further, Section 94(2) promises support for the development of the backward areas of the State and Section 94(1) assures fiscal incentives to promote industrialization and balanced growth in the State. Further, the Hon'ble Prime Minister of India promised Special Category Status for the State for a period of five years in the floor of the Parliament on 20<sup>th</sup> February 2014. He also promised execution of the Polavaram Project as a national project as well as compensation for any resource gap in the Union Budget 2014-15. We are vigorously pursuing with the Government of India for the fulfillment of statutory provisions and commitments

Section 93 and the Thirteenth Schedule promises certain educational institutions and infrastructure facilities to ensure the balanced development of the successor State. The State government has taken great care to ensure that these institutions and facilities are distributed evenly across the different regions of the state. Regarding educational institutions we have identified lands and sent proposals to



the GoI for approval of Agriculture University at Guntur, IIM at Visakhapatnam, IIIT at Kurnool, Tribal University at Vijayanagaram, Central University and a satellite center of AIIMS at Anantapur, NIT in West Godavari, AIIMS and NIDM at Vijayawada/Guntur, IISER and IIT at Tirupati, and Petroleum University in East Godavari.

In addition to these statutory commitments, the Government has prepared plans for the comprehensive economic development of Andhra Pradesh by making it a hub for manufacturing, knowledge-based activities, medical care and tourism.

The centerpiece of the plans for the industrial development involves developing the entire Nellore-Vizag belt as part of the Vizag-Chennai Industrial Corridor (VCIC) and the Chittoor-Anantapur belt as part of the Chennai-Bangalore Industrial Corridor (CBIC). The feasibility study of VCIC, covering 9 districts, has identified five industrial cluster nodes – Pydibhimavaram in Srikakulam district, Visakhapatnam, Kakinada, Gannavaram-Kankipadu, and Srikalahasti-Yerpedu. The influence area of CBIC, covering 3 districts, will have three nodes – Krishnapatnam Industrial Area, Chittoor NIMZ and Hindupur Industrial Area. The Krishnapatnam node, for which the Master Planning has been initiated with JICA funding, is proposed to be an investment incubator.



The State government is collaborating with various multi-lateral agencies to mobilize resources for the execution of these industrial clusters, including de-bottlenecking and connectivity projects. Discussions are at advanced stages with several multi-national corporations to finalize their investments in these clusters.

These industrial clusters will be supported by an elaborate network of logistics infrastructure that is proposed to be developed in the next five years. In addition to the existing ports at Gangavaram, Kakinada, Krishnapatnam, and Visakahapatnam, the state government proposes to develop ten more ports at Kakinada, Machilipatnam, Dugarajupatnam, Bhavanapadu, Ramayapatnam, Meghavaram, Nakkapalli, Kalingapatnam, Bheemunipatnam, and Narsapur.

The state Government has prepared plans for the development of international airports at Visakhapatnam, Vijayawada, and Tirupati. Apart from the airports at Puttaparthi and Rajahmundry, and the one ready for inauguration at Cuddapah, the government is also planning to establish smaller airports at Kuppam, Kurnool, Nellore, Ongole, Srikakulam, and Vijayanagaram.

The State Government has prepared a comprehensive road and rail transport network that would open up the backward areas in the hinterland by connecting them to the existing trunk lines. Accordingly, the Roads & Buildings Department have prepared plans for new state



highways linking both Kurnool and Ananapur with Guntur. Road projects to connect Ananapur to the new capital city via Giddalur, Kurnool to Vinukonda area, and the Rayalaseema hinterland to the Krishnapatnam port are also being planned. Further, new road projects to connect the Rayalaseema region to other regions of the State are also proposed. The Railways Ministry has sanctioned several important connecting link projects in the recent Union Railway Budget.

The State Government has already initiated steps to develop Vijayawada, Visakhapatnam, and Tirupati as mega cities with world-class civic infrastructure facilities. The metro-rail project for Visakhapatnam is already at an advanced stage of scrutiny by the GoI. The Government has also decided to entrust the preparation of Feasibility Studies and Detailed Project Reports (DPRs) for Vijayawada and Tirupati Metro rail projects to the Delhi Metro Rail Corporation (DMRC). Apart from these, we are proposing to leverage the Smart Cities Program of the Union Government to establish 14 smart cities, covering all the districts.

District wise proposed initiatives for balanced regional development are as follows:



<b>Srikakulam</b>	
1	New Industrial City
2	Bhavanapadu Port
3	Kalingapatnam Port
4	Pydibhimavaram Industrial Node in VCIC Corridor
5	New Airport
6	Srikakulam as a Smart City
7	Food Park
8	School of Planning and Architecture
9	Completion of Irrigation projects on Vamsadhara-Nagavali
10	Tourism Circuits covering Telineelapuram - Bird sanctuary, Buddhist Monuments, Sreekurma and Arasavalli Temples, Baruva Beach
11	Open University
12	Electronics and Hardware Park
<b>Vijayanagaram</b>	
1	Proposed Greenfield Airport
2	Industrial City
3	Completion of Thotapalli Reservoir within one year
4	Food Park
5	Tribal University
6	Vijayanagaram as a Smart City
7	Electronic and Hardware Park
8	Port
9	Music and Fine Arts Academy
10	Medical College



<b>Visakhapatnam</b>	
1	Mega City
2	Visakhapatnam International Airport
3	VCIC Industrial Node
4	Metro Rail
5	Indian Institute of Management
6	Indian Institute of Foreign Trade
7	Mega IT Hub
8	Electronics Manufacturing Hub
9	Innovation and Incubation Hub
10	Food Park
11	Exhibition cum Convention Centre
12	Gangavaram LNG Terminal
13	Railway Zone
<b>East Godavari</b>	
1	Petroleum University
2	Port
3	Electronics and Hardware Park
4	Kakinada Node in VCIC Corridor
5	Petroleum Corridor
6	Telugu University
7	Coir based industrial complex
8	Smart Cities at Kakinada and Rajahmundry
9	Food Park
10	Tourism - Inland water ways



11	LNG Terminal at Kakinada
12	Proposed Ship building at Tuni
13	Aquaculture and Processing Unit
14	IT Hub - Rajahmundry
<b>West Godavari</b>	
1	National Institute of Technology
2	Institute of Fine Arts and Crafts
3	Narsapur Port
4	Tadepalligudem Airport
5	Ceramic Industry
6	Oil Palm Industry
7	Tourism Circuit - Kolleru Lake
8	Water ways development
9	Coal Exploration in Chintalapudi Area
10	Polavaram Project
11	Coir based Industry
12	100% Drip Irrigation in upland areas
13	Aquaculture and Processing Unit
14	Horticulture Research Centre
<b>Krishna</b>	
1	Expansion of Existing Airport to International standards
2	Development of Machilipatnam Port
3	Oil Refinery and Cracker Unit



4	VGTM Metro Rail
5	Automobile and Logistics Hub
6	Food Park
7	Mega City and Smart City
8	Aquaculture and Processing Unit
9	Expansion of Bharat Electronic Limited
10	Textile Park
11	Tourism Circuit - Bhavani Islands
12	Missile Park Avanigadda
13	IT Hub - Vijayawada
14	Kuchipudi Academy at Kuchipudi
<b>Guntur</b>	
1	VGTM Metro Rail
2	Agriculture University
3	AIIMS
4	National Institute of Disaster Management
5	Textile Park
6	Smart City
7	Food Park
8	Tourism Circuit - Nagarjunakonda & Amravati
9	Nagarjunasagar Airport
10	Nagarjunasagar Theme Park
11	Solar Power



<b>Prakasam</b>	
1	Donakonda Industrial City
2	University of Mines and Minerals Sciences
3	Airport near Ongole
4	National Investment and Manufacturing Zone - Kanigiri
5	Ramayapatnam Port
6	Food Park
7	Completion of Phase-1 Veligonda Project within one year
8	Smart City
9	Aquaculture and Processing Unit
<b>Nellore</b>	
1	VCIC and BCIC Nodes
2	Automobile Hub
3	Airport
4	Dugarajapatnam Port
5	Tourism - Pulicat Lake
6	Smart City
7	Institute of Hotel Management
8	Marine Institute
9	Fertilizer Plant
<b>Chittoor</b>	
1	Tirupati International Airport
2	Kuppam Airport



3	Yerpedu NIMZ
4	Indian Institute of Technology
5	Indian Institute of Science Education and Research
6	Apollo Health Centre
7	Horticulture Zone
8	Mega City
9	Mega Food Park
10	Tirupati Metro Rail
11	Religious Tourism Circuit - Kalahasti, Tirupati, Kanipakam
12	IT Hub - Tirupati
<b>Kadapa</b>	
1	Steel Plant
2	Cement Industry
3	Mineral based industries
4	Industrial Smart City
5	Operationalize Kadapa Airport
6	Food Park
7	Urdu University
8	Solar Power and Wind Power
9	Garment Cluster
<b>Ananthapur</b>	
1	Drought Proofing - 100% Drip / Sprinkler Irrigation
2	Horticulture Hub



3	Central University
4	Satellite Centre of AIIMS
5	New Industrial City
6	Smart City
7	Hindupur Node in BCIC
8	Textile Park
9	Food Park
10	Electronics and Hardware Cluster
11	Solar and Wind Power
12	ISKCON Project at Penukonda
13	Bharat Electronics Limited
14	Puttaparthi Spiritual City
15	Proposed Maintenance, Repair and Overhaul Hub for Aircrafts at Puttaparthi
16	Kudremukh Iron ore based project
17	Handri Niva Project completion
<b>Kurnool</b>	
1	Kurnool as a Smart City
2	New Airport
3	New Industrial City at OWK
4	Proposed Hyderabad Bangalore Industrial Corridor
5	Textile Cluster
6	Cement Manufacturing Hub at Koilakuntla
7	Indian Institute of Information Technology



8	Nuclear Fuel Complex
9	Super Speciality Hospital like SVIMS in Kurnool
10	Tourism Circuit - Caves, Temple and Wildlife
11	Solar and Wind Power
12	Livestock Research and Polytechnic Centre
13	Seed Production Hub
14	Railway Wagon Repair Factory
15	Mining School
16	Food Park
<b>Rayalaseema</b>	
1	Improved Connectivity
	a. Kurnool - Vinukonda via Srisailem - 4 lane road
	b. Kurnool - Nandyal - Giddalur - Guntur - 4 lane road
	c. Nandyal - Porumamilla - Krishnapatnam - 4 lane road
	d. Renigunta - Rajampeta - Kadapa - 4 lane road
2	Drought Proofing
	a. Improved Water Management and Conservation
	b. Drip / Sprinkler Irrigation
3	Solar and Wind Power
4	Improved Rail Connectivity
5	Manufacturing Hubs

*The list given above is not exhaustive.*

As regards the new Capital, the Government is deeply committed to ensuring that the process of building the new capital involves the



participation of people. It is in this context that the Cabinet has suggested the use of Land Pooling schemes to consolidate the land required for the capital. We believe that this will enable the local landholders to proactively participate and benefit from the development of the capital city. This will create a win-win situation for the landholders, citizens and the Government. As a result, the new capital city of the State of Andhra Pradesh can proudly call itself a "people's capital".

In conclusion, the State Government believes that the creation of a world-class capital city at a central location is essential to create a level-playing field for the new State. As experience from across the world demonstrates, a vibrant capital city can act as a catalyst for economic development for the entire state and become an iconic city that is a source of pride for all its citizens.

We firmly believe that with full-fledged commitment and support from the Government of India in terms of policy support and financial and administrative assistance we will build a model state which will become an economic power-house for the entire nation.

**NARA CHANDRABABU NAIDU**  
**CHIEF MINISTER**