

Sunrise Andhra Pradesh Vision 2029: 4 Years of Double Digit Growth (2014-19)

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Post Andhra Pradesh state reorganization in June 2014, to overcome the numerous socio-economic disadvantages and governance and development difficulties it was burdened with due to the unscientific process by which the state was reorganized and to lay out the mid to long term future directions for the state's development, the Government of Andhra Pradesh¹ in 2015 formulated a vision document for the State – the **Sunrise Andhra Pradesh Vision 2029** which stated that *“The people of Andhra Pradesh envision transforming their state into a happy, inclusive, responsible, globally competitive and innovation driven society through structural transformation and by sustaining inclusive double-digit economic growth, to become one amongst the three best states in India by 2022, the best state by 2029, and a leading global investment destination by 2050”*.

The economic aspiration for the state in the vision was to become an upper middle income/ high income economy by 2029 through embarking on a sustained double digit growth path of 12% CAGR over the next 15 years. This would in turn increase the per capita GSDP from Rs. 90,517 in 2014-15 to Rs. 9.6 lakhs (at current prices) by 2029-30. Further, in terms of social and human development, the vision proposed that the state attain a very high human development status by 2029 with a Human Development Index (HDI) value of 0.7 by 2019; HDI value of 0.8 by 2022; and a HDI value of 0.9 by 2029.

As planning and implementing a 15 year long development plan had its own hazards in terms of unknown and currently unknowable externalities, the vision was delineated into program phases with specific targets and milestones while keeping in mind the overall vision targets and outcomes. The Vision 1.0 program phase (2015-19) was premised on endowing all citizens with their basic rights and saturating access to basic amenities and public services to immediately advance their standard of living, well-being and happiness. Additionally, actions focusing on transforming the state into a globally competitive economy and society were simultaneously to be initiated.

After the passage of the five years of the Vision 1.0 program period, the current paper carries out a review of vision implementation during this period and makes an assessment of the performance and results achieved under the Economic Transformation Program.

1. The Economic Transformation Program: A Staller Performance

The high level key performance indicators identified for the measurement of success of the Economic Transformation program were the annual growth rate of the state economy and the per capita income. The compound annual growth rate for the period 2014-15 / 2018-19 had been determined at 11% with an assumption that in the later period of the vision higher CAGR would be targeted to achieve an overall CAGR of 12% for the vision. In terms of the per capita income, it was estimated that it would be around Rs. 178,000 at current prices².

A performance assessment of the Economic Transformation program therefore concerns with the analysis of the economic growth achievements of Andhra Pradesh during these five years, including an analysis of the lacunae in achieving the targets set and exploring the reasons for the same. Additionally, to better contextualize the achievements, comparison of the state vis-à-vis other select states on identified key indicators is carried out.

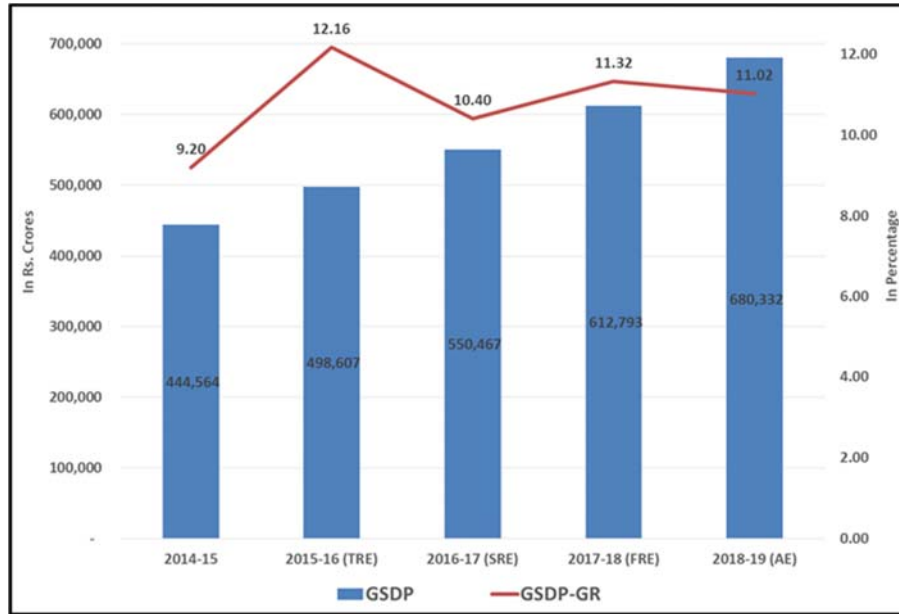
¹ In the paper the residuary state of Andhra Pradesh is mentioned as Andhra Pradesh while the state before reorganization is mentioned as Andhra Pradesh (pre-reorganization).

² Assuming an annual inflation rate of 6%.

A. State Economic Growth

As a consequence of the herculean efforts by the state government and people, in the five years (between 2014-15 and 2018-19), Andhra Pradesh had emerged amongst the best performer state across the country in terms of economic growth. The state's GSDP (at constant prices 2011-12³) grew from Rs. 444,564 crores to Rs. 680,332 crores between 2014-15 and 2018-19 with a CAGR of 11.22% (**Figure 1**). This was in keeping with the Vision 1.0's target of 11% GSDP growth rate till 2018-19. India's GDP growth rate (CAGR), during this period, was comparatively lower at 7.58%.

Figure 1: GSDP and GSDP Growth Rate for Andhra Pradesh



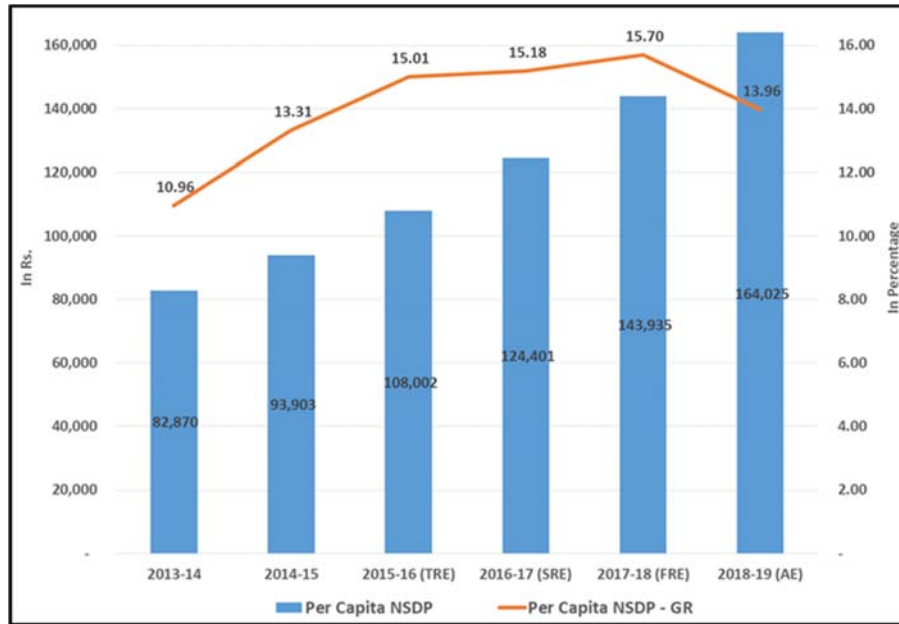
Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

At the same time, the per capita NSDP (at current prices 2011-12) for the state had increased from Rs. 82,870 (2013-14) at the time of state reorganization, to Rs. 164,025 in 2018-19⁴, a CAGR of 14.63% (**Figure 2**) as compared to the per capita NDP (at current prices 2011-12) of India, which was Rs. 79,118 in 2013-14 and increased to Rs. 126,406 in 2018-19, i.e. a CAGR of 9.82%. The per capita NSDP in the state grew at more than 13% year on year for each year during the period 2014-15 and 2018-19 with in 3 years the year on year growth rate was more than 15%.

³ All state economy figures are in terms of Constant Prices 2011-12 except where it is specifically mentioned as in Current Prices 2011-12.

⁴ The per capita NSDP achieved in 2018-19 was about 7.8% lower than as projected at the time of preparation of the vision growth estimates in 2015. A reason for this may be that at the time of preparing vision growth estimates, the annual inflation rate was projected at 6%, while the actual inflation rate during the said period was substantially less.

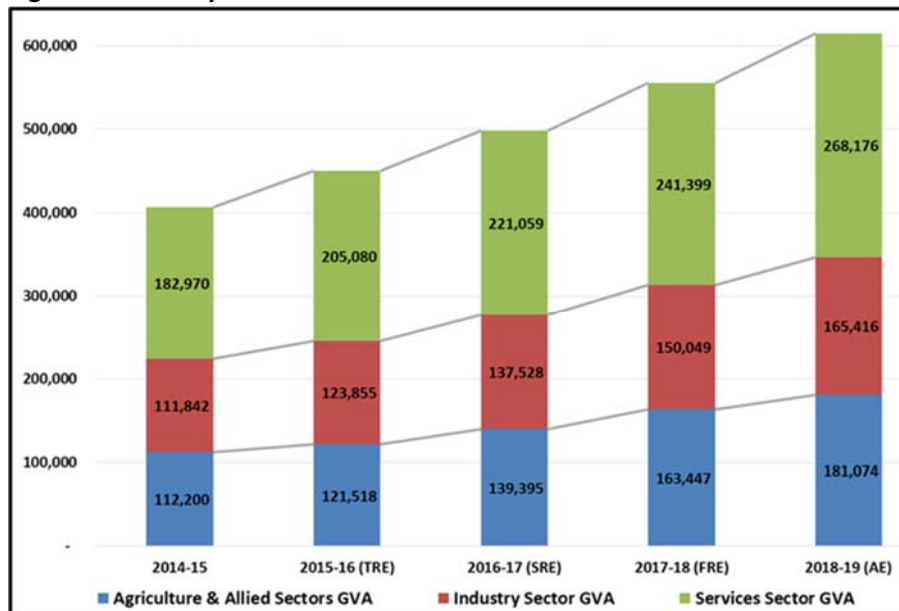
Figure 2: Per Capita NSDP and Growth Rate for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

In terms of the 3 main sectors of the economy, their respective GVAs are given in **Figure 3**.

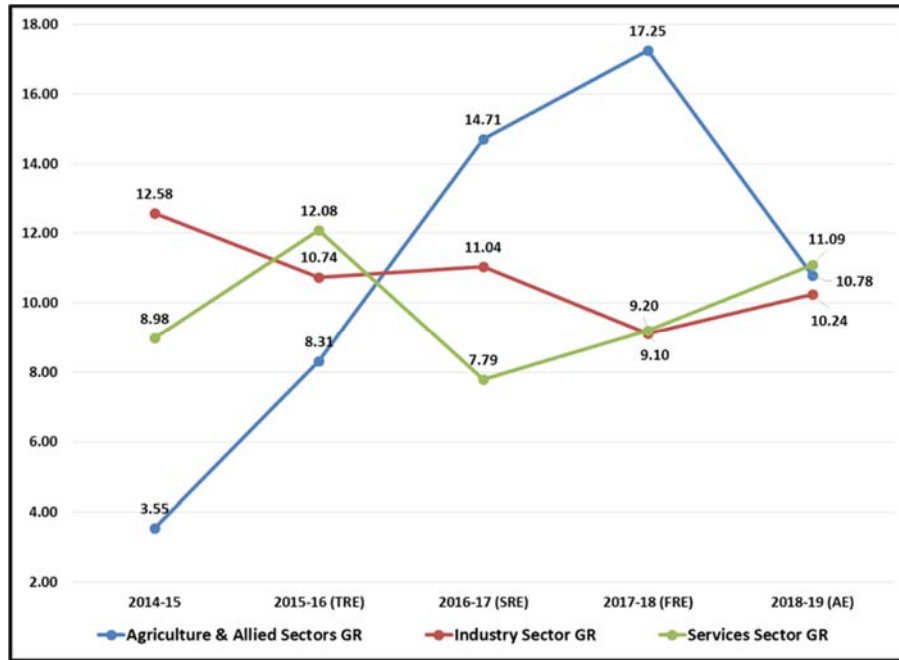
Figure 3: Economy Sector Wise GVA for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

Between 2014-15 and 2018-19, the Agriculture and Allied sector GVA increased by 1.6 times while the Industry and Services sectors GVA grew nearly 1.5 times giving them all double digit CAGRs (Agriculture and Allied sector = 12.71%; Industry sector = 10.28%; and Services sector = 10.03%). The sector wise GVA growth rates for the period 2014-15 to 2018-19 is given in **Figure 4**.

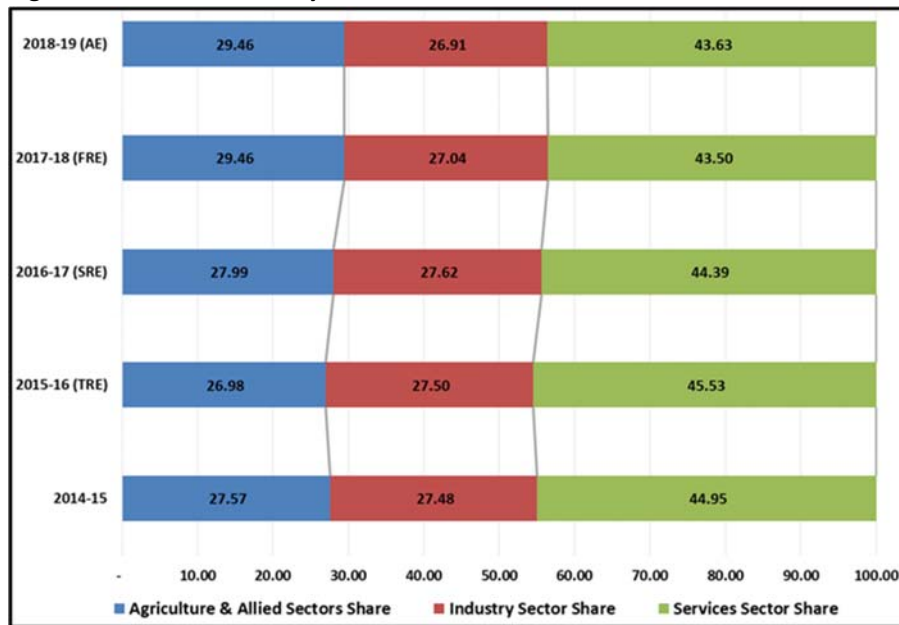
Figure 4: Economy Sector Wise GVA Growth Rate for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

In terms of the structure of the state economy, the share of the 3 economy sectors in total GVA during the period 2014-15 and 2018-19 is given in **Figure 5**.

Figure 5: Share of Economy Sectors in Total GVA for Andhra Pradesh



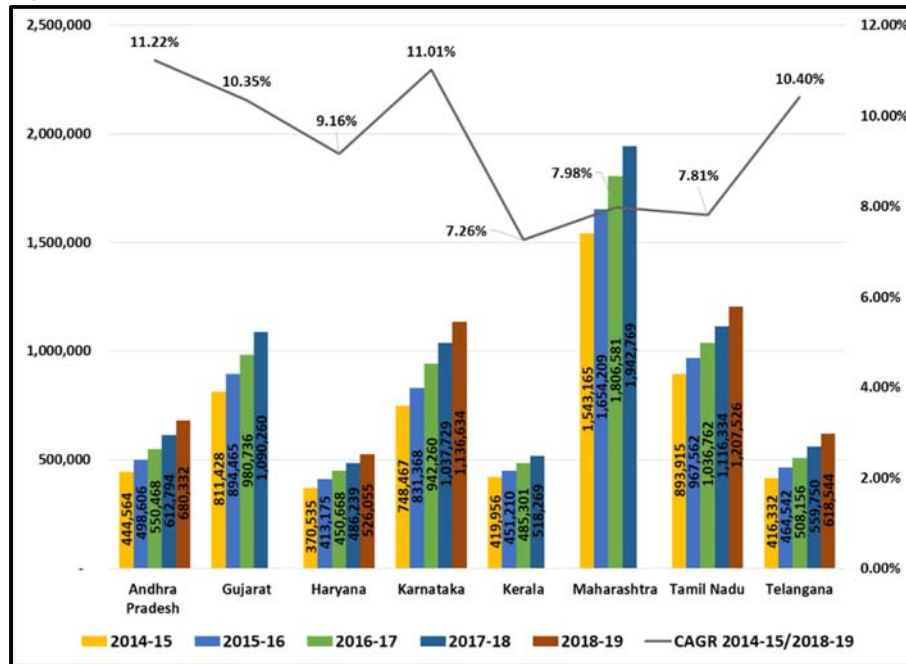
Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

The sector wise share in the total GVA did not show any large shifts during the period indicating that the basic structure of the state economy did not significantly change. However, the share of Agriculture and Allied sector in the total GVA showed a small increase, while the share of Industry and Services sector in the total GVA showed corresponding small declines.

B. Inter-State Comparison

A comparison of GSDP at constant prices (2011-12) of major states⁵ that have higher per capita income than Andhra Pradesh is given in **Figure 6**.

Figure 6: GSDP (in Crores at Constant Prices 2011-12) and CAGR 2014-15/2018-19 (in %age)



Source: Ministry of Statistics and Programme Implementation, Government of India

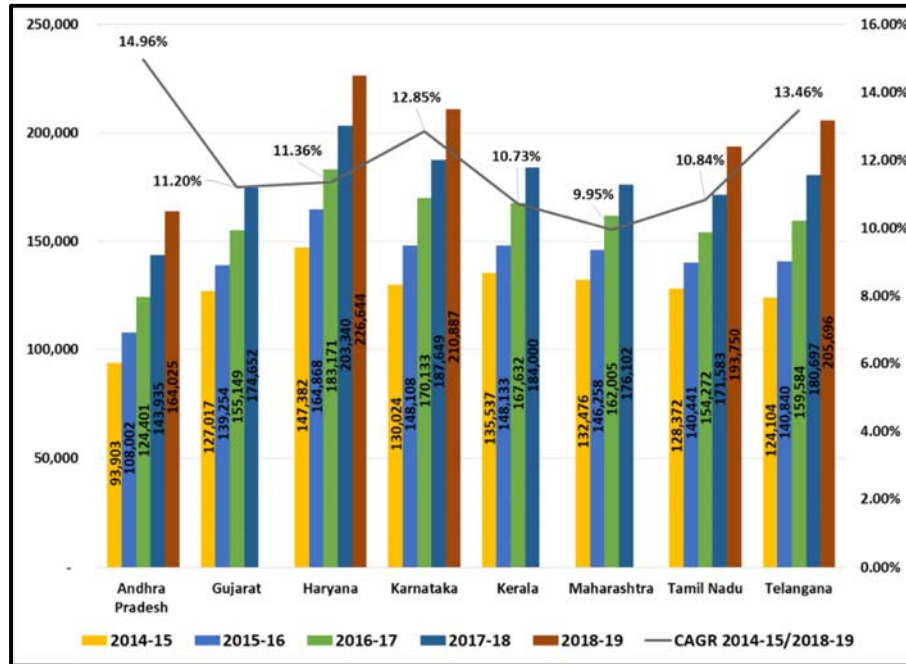
Figure 6 shows that Andhra Pradesh led the economic growth in the country with a GSDP CAGR of 11.22% during the period 2014-15 and 2018-19, with Karnataka following close behind with GSDP CAGR of 11.01%. Telangana with a GSDP CAGR of 10.40% was at the 3rd position. As already mentioned, the growth rate of Andhra Pradesh was much higher than the All-India GDP CARG of 7.58% during the same period, as it was for the other states (considered for comparison) too except for Kerala.

In terms of total size of the economy, Andhra Pradesh has in 2018-19 become the 7th largest state in the country behind Maharashtra, Tamil Nadu, Gujarat, U.P., Karnataka and West Bengal. It was closely followed by Rajasthan at 8th position, while Telangana and Delhi followed respectively at the 9th and 10th position.

Andhra Pradesh also performed very well in comparison with other large states in the country in terms of per capita NSDP (at current prices). The comparison of per capita NSDP at current prices of the major states that have higher per capita income than Andhra Pradesh is given in **Figure 7**.

⁵ These include 7 states, namely Gujarat, Haryana, Karnataka, Kerala, Maharashtra, Tamil Nadu and Telangana. For the states of Gujarat, Maharashtra and Kerala the SGDP data for the year 2019-19 is not available and therefore their respective CAGR is calculated for the period 2014-15 to 2017-18. For the remaining 5 states the GSDP data for 2018-19 is available and therefore the CAGR is for the period 2014-15 to 2018-19.

Figure 7: Per Capita NSDP (in Rs. at Current Prices 2011-12) and CAGR 2014-15/2018-19 (in %age)



Source: Ministry of Statistics and Programme Implementation, Government of India

Andhra Pradesh in 2018-19 ranked 8th in per capita NSDP (at current prices) in the country trailing the states of Haryana, Karnataka, Kerala, Telangana, Maharashtra, Gujarat and Tamil Nadu in that order. It overtook Punjab in 2017-18, which too had a higher per capita NSDP than Andhra Pradesh in 2014-15.

In terms of the growth rate of per capita NSDP (at current prices), Andhra Pradesh at 14.96% showed the highest CAGR for per capita NSDP amongst the states compared here followed by Telangana and Karnataka. Hence, while the state had shown a robust and sustained growth in per capita NSDP during the period 2014-15 and 2018-19, it still has a lot of catching up to do to become the highest in the country amongst the large states, more so since all the 7 states showed double digit CAGR in per capita NSDP (except Maharashtra which had a CAGR of 9.95%) during the same period. This was especially in the case of Telangana and Karnataka, which grew at a CAGR of 13.46% and 12.85% and improved their per capita NSDP rank amongst the larger states in the country during the period 2014-15 and 2017-18 from 7th to 4th and 4th to 2nd, respectively.

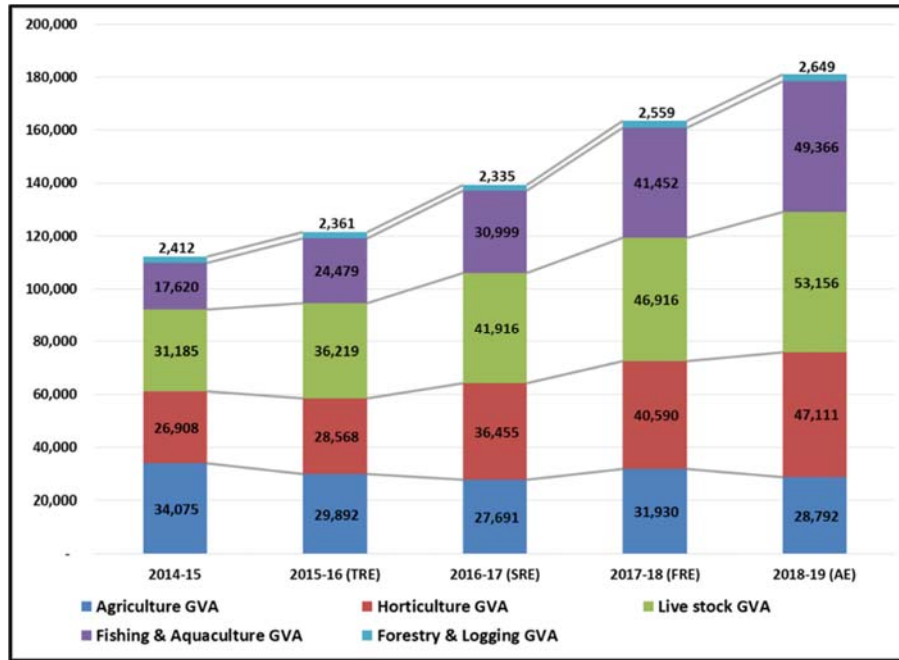
C. Sector Wise Performance

While there was no significant structural change in the state economy in terms of the 3 main economy sectors, there was significant shifts observed in terms of their respective sub-sectors. In this section these shifts are delineated and their implications analyzed.

i. Agriculture and Allied Sector

The Agriculture and Allied sector comprises of the sub-sectors of Agriculture (crops), Horticulture, Livestock, Fishing/ Aquaculture and Forestry/ Logging. The sub-sector wise GVA for the period 2014-15 and 2018-19 is given in **Figure 8**.

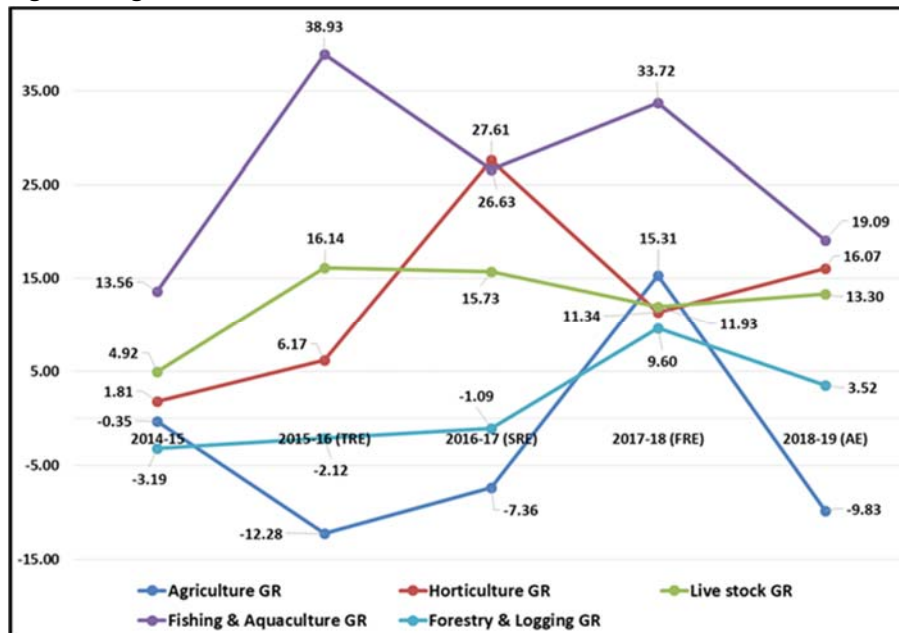
Figure 8: Agriculture and Allied Sub-sector Wise GVA for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

Amongst the 5 sub-sectors, the Agriculture sub-sector showed decline in GVA between 2014-15 and 2018-19 by about 15%, while the other three sub-sectors showed substantial increase in GVA. This is clearly reflected in terms of CAGR, where the Agriculture sub-sector CAGR was -4.12%, while that of Horticulture sub-sector was 15.03%; Livestock sub-sector CAGR was 14.26%; Fishing/ Aquaculture sub-sector CAGR was 29.38%; and Forestry/ Logging sub-sector was 2.37. The growth rate of GVA of the Agriculture and Allied sub-sectors for the period 2014-15 and 2018-19 is given in Figure 9.

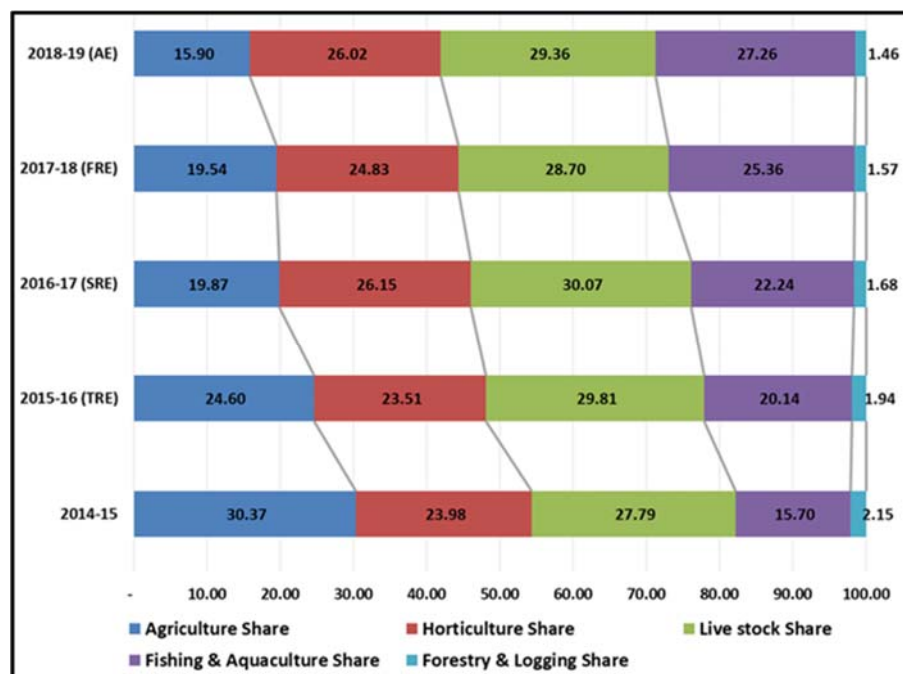
Figure 9: Agriculture and Allied Sub-sector Wise GVA Growth Rate for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

The effect of the differential growth rate of GVA of the Agriculture and Allied sub-sectors is observable on the shifting structural composition of the Agriculture and Allied sector in the state (**Figure 10**).

Figure 10: Share of Sub-sectors in Total Agriculture and Allied Sector GVA for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

The analysis of the shift in the share of the various sub-sectors in the total Agriculture and Allied sector GVA during the period 2014-15 and 2018-19 showed that:

- The share of the Agriculture sub-sector declined steeply from 30.37% in 2014-15 to 15.9% in 2018-19;
- The share of the Horticulture sub-sector grew from 23.98% in 2014-15 to 26.02% in 2018-19 and in between overtook Agriculture sub-sector in 2016-17;
- The share of the Livestock sub-sector grew from 27.79% in 2014-15 to 29.36% in 2018-19 and in between overtook Agriculture sub-sector in 2015-16;
- The share of the Fishing/ Aquaculture sub-sector grew from 15.70% in 2014-15 to 27.26% in 2018-19 and in between overtook Agriculture sub-sector in 2016-17;
- Therefore, the Agricultural economy in the state had rapidly diversified over the period of 2014-15 and 2018-19, with Livestock, Fishing/ Aquaculture and Horticulture sub-sectors (in that order) replacing Agriculture as the primary economic sub-sector and the growth engines for the state's rural transformation; and
- This is of double significance as these 4 sub-sectors are also highly amenable to agri-processing and value addition, thereby creating further potential for growth and productivity gains.

The performance of Agriculture and Allied sector at the district level, too threw up interesting and emerging trends for the state. **Table 1** gives the district wise GVA (at current prices 2011-12) for the Agriculture and Allied sub-sectors for the year 2017-18 based on the district domestic product estimates of the Directorate of Economics and Statistics, Government of Andhra Pradesh.

Table 1: District Wise GVA (at current prices 2011-12) for Agriculture and Allied Sub-sectors

District	GVA for 2017-18 (at Current prices) in Rs. Crores				
	Agriculture	Horticulture	Livestock	Fishing/ Aquaculture	Agriculture Sector
Srikakulam	1,735	1,824	2,376	1,088	7,191
Vizianagaram	1,419	3,314	2,813	575	8,270
Visakhapatnam	1,050	3,659	4,748	2,056	11,845
East Godavari	3,889	5,994	6,624	5,846	22,767
West Godavari	5,590	5,308	8,445	16,472	36,048
Krishna	4,059	5,680	8,798	17,355	36,073
Guntur	5,362	5,760	7,521	3,112	22,002
Prakasam	2,905	4,997	9,003	2,433	19,719
Nellore	2,275	1,855	4,727	7,376	16,495
Chittoor	2,263	10,752	6,497	86	19,995
Kadapa	1,115	8,249	2,936	48	12,686
Anantapur	2,834	11,921	5,163	104	20,401
Kurnool	5,116	6,194	7,322	380	19,356
Andhra Pradesh	39,610	75,507	76,974	56,929	252,847

Source: Directorate of Economics and Statistics, Government of Andhra Pradesh

The salient finds emerging are as follows:

- All 13 districts in the state had their livestock GVA more than that of their respective agriculture GVA;
- Except for West Godavari and Nellore, all other 11 districts had their horticulture GVA more than that of their respective agriculture GVA;
- The districts of Visakhapatnam, East Godavari, West Godavari, Krishna and Nellore had their fishing/ aquaculture GVA more than that of their respective agriculture GVA;
- Hence, the districts of Visakhapatnam, East Godavari and Krishna had the GVA of all the three sub-sectors of horticulture, livestock and fishing/ aquaculture more than the GVA of agriculture;
- The remaining 10 districts had 2 out of the 3 sub-sectors of horticulture, livestock or fishing/ aquaculture have GVA more than that of their respective agriculture GVA;
- Districts Chittoor, Kadapa, Ananthapur and Kurnool had emerged as the horticulture belt of the state with the share of horticulture GVA for the districts of Chittoor, Kadapa and Ananthapur being more than 50% of its Agriculture and Allied sector GVA;
- Prakasam, Krishna and West Godavari had emerged as the districts with highest livestock GVA in the state, while districts of Chittoor, Ananthapur and Kurnool too showed high livestock GVA along with horticulture;
- The districts of Srikakulam, Vizianagaram, Visakhapatnam and Guntur had emerged as the future livestock growth areas for the state with the sub-sector contributing more than 30% of their Agriculture and Allied sector GVA;
- In terms of fishing/ aquaculture, districts Krishna, West Godavari and Nellore had this sub-sector contribute more than 40% of their respective Agriculture and Allied sector GVA. Along with East Godavari, these three districts had emerged as the front runners for fishing/ aquaculture in the state;
- The traditional Rice Bowl districts of East Godavari, West Godavari, Krishna and Guntur had now high GVAs in horticulture, livestock and fishery sub-sectors indicating significant diversification in their rural economy;

- The drought prone districts of Chittoor and Ananthapur, which also lie in low rainfall semi-arid agricultural climatic zone, had the top 2 positions in the state in terms of combined GVA of horticulture and livestock (Chittoor – Rs. 17,249 crore; and Ananthapur – Rs. 17,084 crore);
- Thus, the Rayalaseema districts in spite of being low rainfall and drought prone were emerging as the horticulture and livestock belt for the state, which could become the primary drought proofing strategy for the region;
- However, one region of concern in the state is the north-coastal districts of Srikakulam, Vizianagaram and Visakhapatnam, which while being the highest rainfall area in the state, had amongst the lowest agriculture sector GVA. However, since all three districts had started showing growing horticulture and livestock sub-sectors, these may become the road ahead for the districts to catch up.

Another significant development related to agriculture observed in the state during the period 2014-15 and 2018-19 was the apparent freeing of agriculture growth from monsoon vagaries. The Agriculture and Allied sector growth rates and the deviation in annual rainfall during the five years period is given in **Table 2**.

Table 2: Agriculture and Allied Sector Growth Rate and Deviation in Annual Rainfall in Andhra Pradesh

S. No	Year	Growth Rate in Agriculture Sector	Deviation in Annual Rainfall
1	2014-15	3.55%	(-)34%
2	2015-16	8.31%	(-)5%
3	2016-17	14.71%	(-)29%
4	2017-18	17.25%	(-)14%
5	2018-19	10.78%	(-)32%

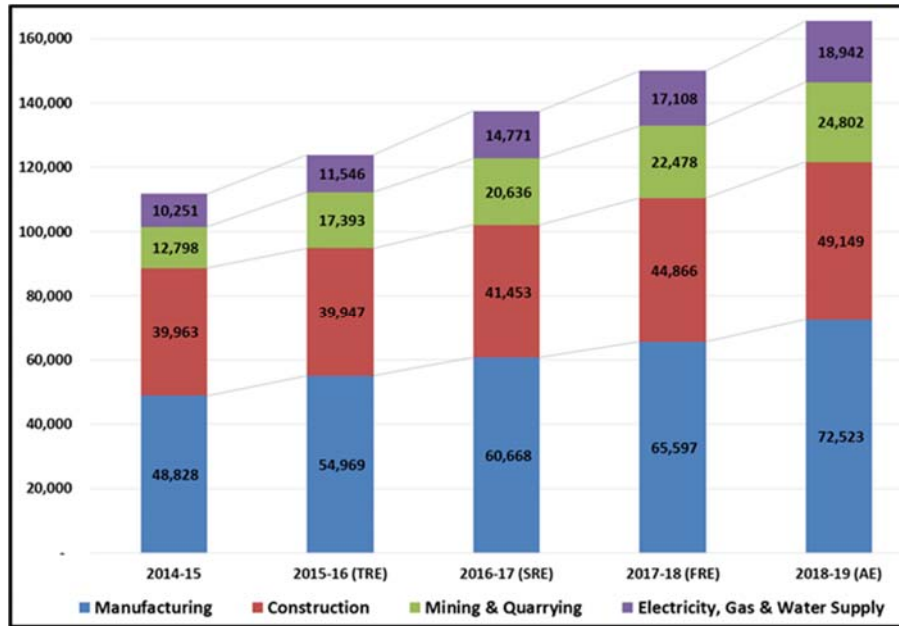
Source: Planning Department, Government of Andhra Pradesh

The Table 2 clearly shows that despite significant deficient in rainfall in four out of the four years, the agriculture sector showed very robust growth rates indicating that farmers no longer were solely dependent on good monsoon and efficient water and irrigation management practices put in place in the state had started delivering sustained dividends.

ii. Industry and Services Sector

The Industry sector comprises of the sub-sectors of Manufacturing, Construction, Mining/ Quarrying and Electricity/ Gas/ Water Supply. The sub-sector wise GVA for the period 2014-15 and 2018-19 is given in **Figure 11**.

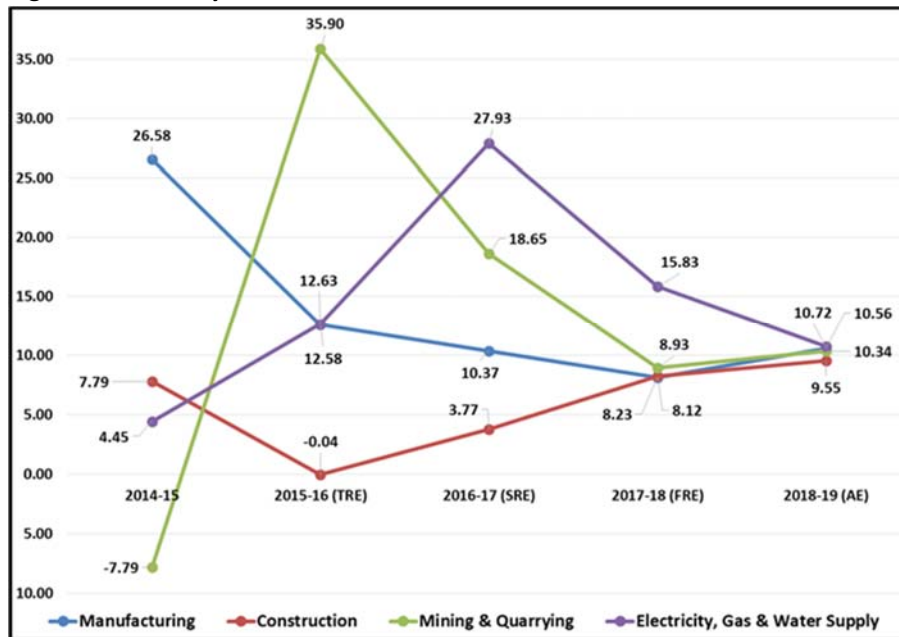
Figure 11: Industry Sub-sector Wise GVA for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

Amongst the 4 sub-sectors, except for Construction the other 3 sub-sectors showed healthy growth during the period 2014-15 and 2018-19. In terms of their respective growth rates, Mining/ Quarrying sub-sector showed the highest CAGR of 17.99% followed by Electricity/ Gas/ Water Supply sub-sector with a CAGR of 16.59%. Manufacturing sub-sector too showed a double digit CAGR of 10.40%. However, the Construction sub-sector's performance was comparatively poorer at a CAGR of 5.31%. The growth rate of GVA of the Industry sub-sectors for the period 2014-15 and 2018-19 is given in **Figure 12**.

Figure 12: Industry Sub-sector Wise GVA Growth Rate for Andhra Pradesh



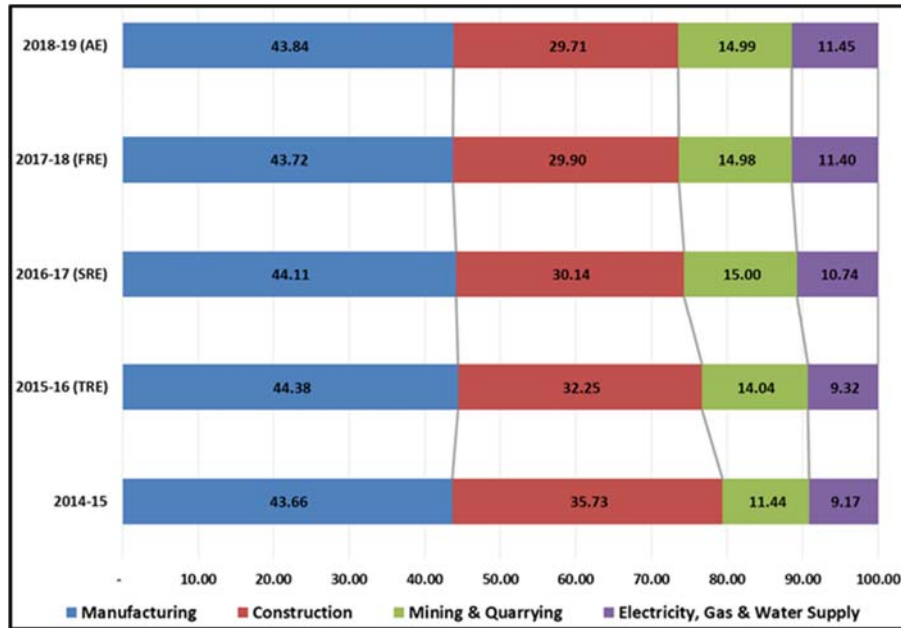
Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

However, in terms of year on year growth rate during the period 2014-15 and 2018-19 all the 4 Industry sub-sectors showed high variability with significant implication for the state's economy.

- The Manufacturing sub-sector growth rate showed a steep decline from 26.58% in 2014-15 to 8.12% in 2017-18 followed by a recovery to 10.56% in 2018-19;
- However, the high growth rate in Manufacturing sub-sector in 2014-15 followed declining growth rate in the sub-sector in previous years of -20.74% in 2012-13 and -4.02% in 2013-14. Hence, in 2014-15 the manufacturing sub-sector actually showed a recovery back to the 2011-12 level (Manufacturing GVA in 2011-12 was Rs. 50.706 crores and in 2014-15 it was Rs. 48.828 crores. In this sense, after the 2014-15 recovery, the Manufacturing sub-sector in the state had settled into a steady double digit growth path except in 2017-18 when it fell to 8.12%;
- This was still a matter of concern as the Manufacturing sub-sector was expected to lead the structural transformation of the state's economy, especially in low skill manufacturing;
- The Construction sub-sector growth rate declined from 7.79% in 2014-15 to -0.04% in 2015-16 but then slowly recovered to 9.55% in 2018-19;
- On the other hand, the Construction sub-sector was on recovery path since 2012-13 with the sub-sector growth rate improving from -3.93% in 2012-13 to 4.23% in 2013-14 to 7.79% in 2014-15. However, subsequently it went into steep decline to -0.04% in 2015-16 and since was again recovering to 9.55% in 2018-19;
- Yet, this was of concern, as the state after reorganization required urgent development of infrastructure in terms of transportation, housing and urban development including construction of a new capital city and it was expected that the Construction sub-sector would grow at an accelerated rate. However, this was not observed;
- The Mining/ Quarrying sub-sector which had a -7.79% growth rate in 2014-15 leaped to 35.90% in 2015-16 and then again declined to 8.90% in 2017-18 followed by a recovery to 10.34% in 2018-19;
- The Electricity/ Gas/ Water Supply sub-sector showed a growth spurt from 4.45% in 2014-15 to 27.93% in 2016-17 but then declined again to 10.72% by 2018-19;
- The rapid growth in the Electricity/ Gas/ Water Supply sub-sector, especially in electricity resulted in the state becoming power surplus from a power deficit state in 2014-15 at the time of reorganization.

The variable growth rates of the 4 sub-sectors is clearly observable from the shifting structural composition of the Industry sector in the state (**Figure 13**).

Figure 13: Share of Sub-sectors in Total Industry Sector GVA for Andhra Pradesh



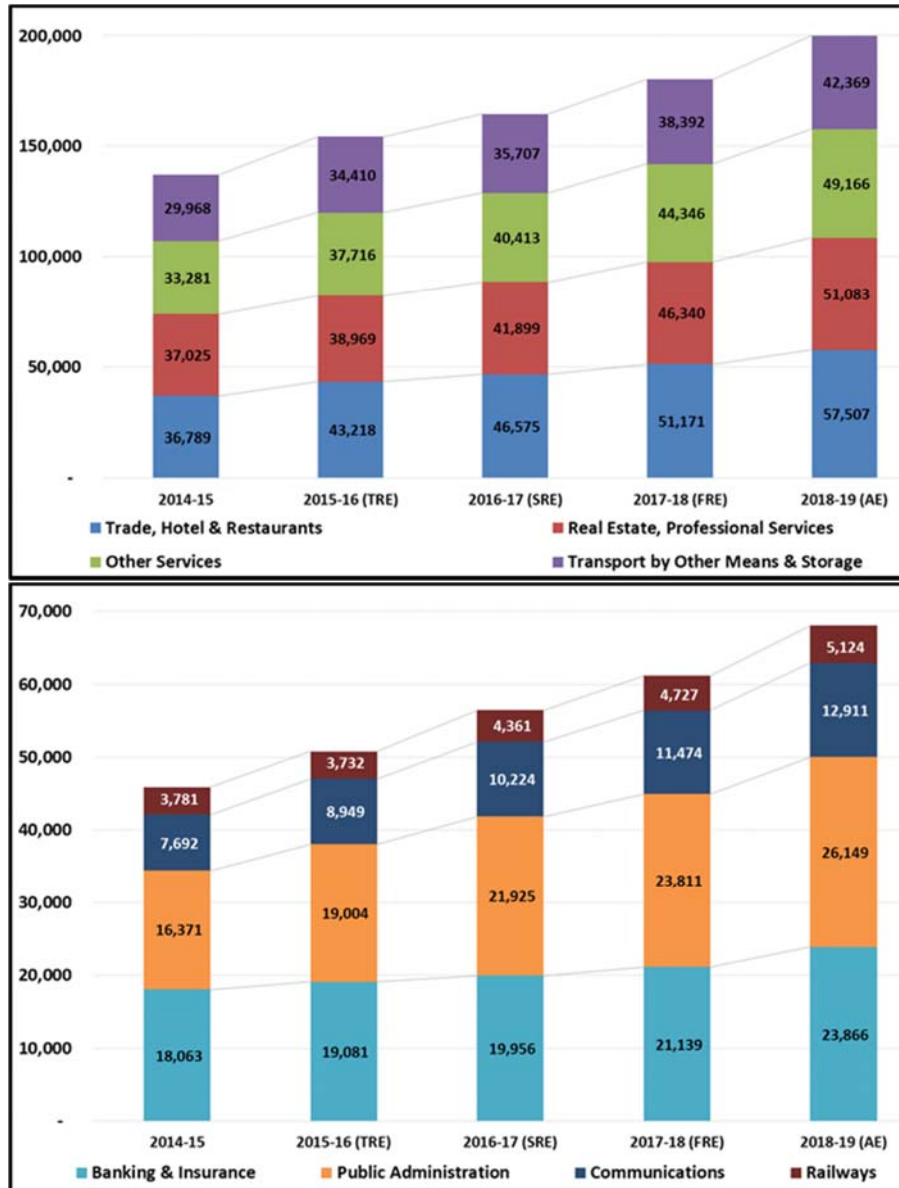
Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

Figure 13 shows the following shifts in the structural composition of the Industry sector in the state:

- The share of Manufacturing sub-sector GVA in the Total Industry sector GVA for the state had more or less remained constant from 43.66% in 2014-15 to 43.84% in 2018-19;
- The share of the Construction sub-sector GVA in the Total Industry sector GVA for the state had steeply declined from 35.73% in 2014-15 to 29.71% in 2018-19;
- Correspondingly, the share of Mining/ Quarrying sub-sector GVA in the Total Industry sector GVA of the state had increased from 11.44% in 2014-15 to 14.99% in 2018-19;
- The share of Electricity/ Gas/ Water Supply sub-sector GVA in the Total Industry sector GVA of the state had increased from 9.17% in 2014-15 to 11.45% in 2018-19;
- In terms of structural composition of the Total GVA of the state, the Manufacturing sub-sector had the highest share in it throughout the period 2014-15 and 2018-19. While in 2014-15 its share in the Total GVA was 12%, it slightly decreased to 11.80% in 2018-19; and
- On the other hand, the Construction sub-sector, which had the 2nd highest share in the Total GVA of the state in 2014-15 at 9.82%, decreased to 8.00% in 2018-19 falling to the 7th position.

The Services sector comprises of the sub-sectors of Trade/ Hotel/ Restaurant, Real Estate/ Professional Services, Railways, Transportation by Other Means/ Storage, Banking/ Insurance, Communication, Public Administration and Other Services. The sub-sector wise GVA is given in **Figure 14**.

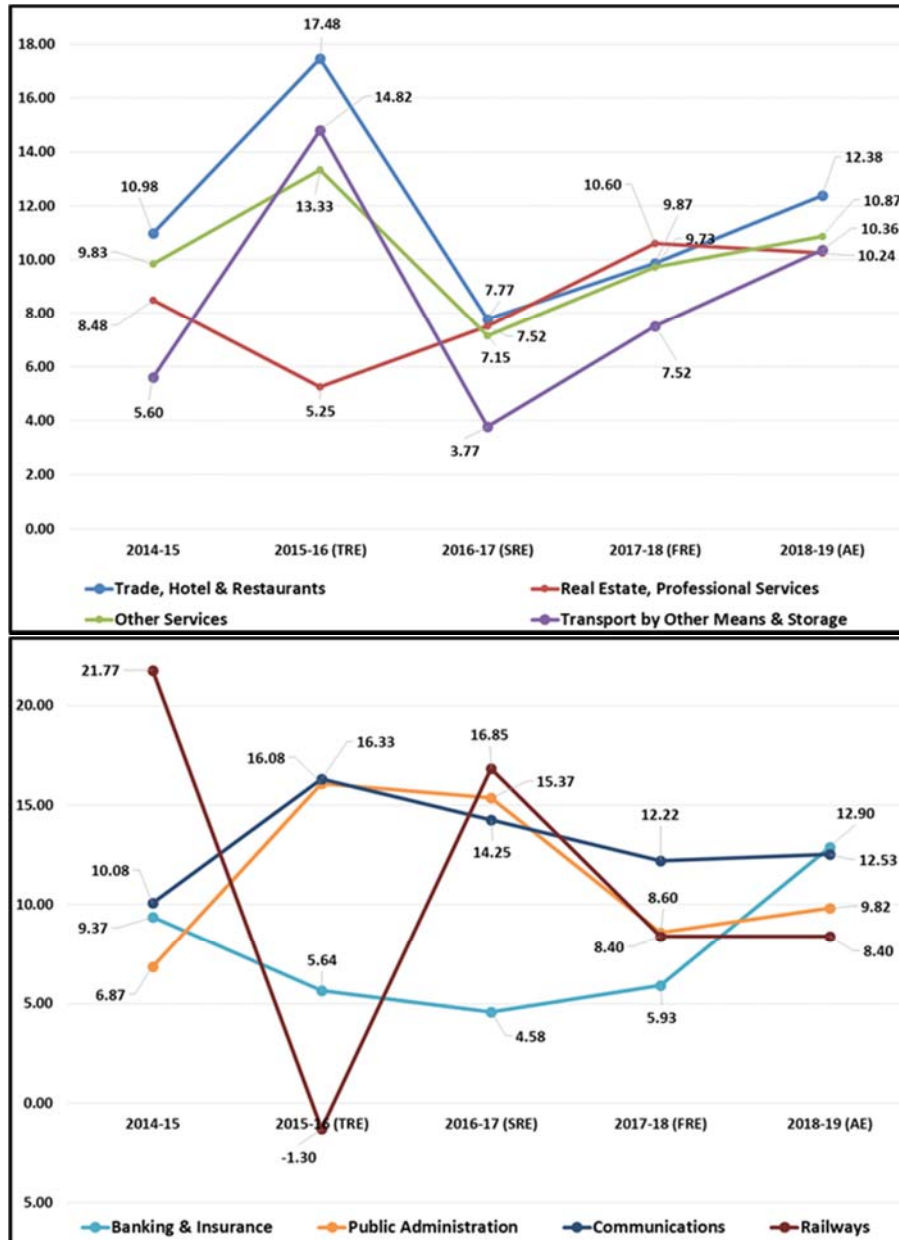
Figure 14: Services Sub-sector Wise GVA for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

Amongst the Services sub-sectors, 4 sub-sectors showed healthy growth rates during the period 2014-15 and 2018-19 with double digit CAGR. Trade/ Hotel/ Restaurant sub-sector had a CAGR of 11.82%, Communication had a CAGR of 13.82%, Public Administration had a CAGR of 12.42% and Other Services had a CAGR of 10.25%. The other 4 sub-sectors showed comparatively lower growth with Railways having a CAGR of 7.89%, Transportation by Other Means/ Storage having a CAGR of 9.04%, Banking/ Insurance having a CAGR of 7.21% and Real Estate/ Professional Services having a CAGR of 8.38%. The growth rate of GVA of the Industry sub-sectors for the period 2014-15 and 2018-19 is given in **Figure 15**.

Figure 15: Industry Sub-sector Wise GVA Growth Rate for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

In terms of year on year growth rate during the period 2014-15 and 2018-19 all the 8 Services sub-sectors showed high variability.

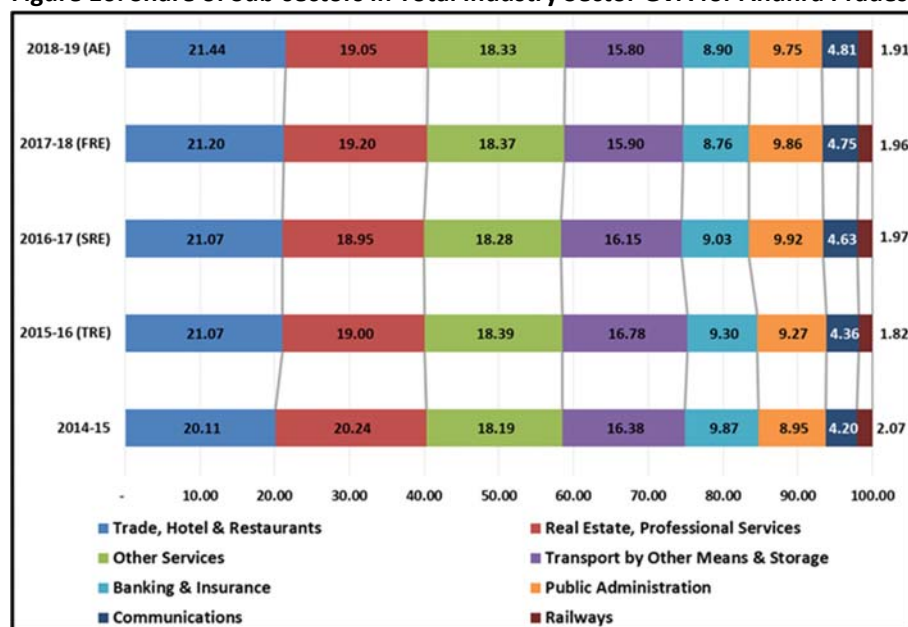
- The Communication sub-sector had a growth rate more than 12% in 4 out of the 5 years with the 5th year too having a growth rate more than 10%. The highest growth rate of 16.33% was in 2015-16 and the lowest of 10.08% in 2014-15;
- The Trade/ Hotel/ Restaurant sub-sector had double digit growth rate in 3 out of the 5 years with the highest growth rate of 17.48% in 2015-16;
- The Real Estate/ Professional Services, Railways, Transportation by Other Means/ Storage, Public Administration and Other Services sub-sectors all had double digit growth rates in 2 out of the 5 years. Real Estate/ Professional Services had the highest growth rate of 10.60 in 2017-18, Railways had the highest growth rate of 21.77% in 2014-15, Transportation by Other Means/ Storage had its

highest growth rate of 14.82% in 2015-16, Public Administration had its highest growth rate of 16.08% in 2015-16 and Other Services had its highest growth rate of 13.33% in 2015-16;

- Only the Banking/ Insurance sub-sector had a double digit growth rate in 1 out of the 5 years, i.e. 12.90% in 2018-19; and
- Interestingly, 5 sub-sectors had their respective highest growth rates in the year 2015-16, namely Trade/ Hotel/ Restaurant, Transportation by Other Means/ Storage, Communication, Public Administration and Other Services.

The share of the Services sub-sectors GVA in the Total Services sector GVA is given in **Figure 16**.

Figure 16: Share of Sub-sectors in Total Industry Sector GVA for Andhra Pradesh



Source: Socio Economic Survey 2018-19, Government of Andhra Pradesh

Figure 16 shows the following about the Services sector in the state:

- The sub-sector share in Services sector GVA did not show any significant changes during the period 2014-15 and 2018-19 indicating that during this period the Services sector in the state did not undergo any shift in its structural composition;
- Sub-sectors Trade/ Hotel/ Restaurant, Real Estate/ Professional Services, Other Services and Transportation by Other Means/ Storage in that order had the highest share in the Services sector GVA which were all in excess of 15% in each of the 5 years; and
- On the other hand, the other 4 sub-sectors of Railways, Banking/ Insurance, Communication, and Public Administration each had less than 10% share in the Total Services sector GVA in all the 5 years with Public Administration having the maximum share of 9.75% and the Railways having the lowest share of 1.91% in 2018-19.

While the growth performance of the Industry and Services sectors in the state were not as stellar as the Agriculture and Allied sectors during the period 2014-15 and 2018-19, both sectors still showed very good growth (CAGR - Agriculture and Allied sector = 12.71%; Industry sector = 10.28%; and Services sector = 10.03%).