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INDUSTRIAL DEVELOPMENT IN ANDHRA PRADESH AFTER BIFURCATION: TRENDS, STRUCTURAL CHANGES AND EMERGING CHALLENGES

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ABSTRACT

The bifurcation of the erstwhile Andhra Pradesh in 2014 significantly altered the economic and industrial landscape of the residual state. The loss of Hyderabad, the major industrial, commercial, information technology and services centre of the undivided state, created the need to develop new growth centres and strengthen the industrial base. At the same time, Andhra Pradesh possesses important advantages, including a long coastline, major ports, agricultural and aquaculture resources, mineral deposits, industrial corridors and a strategic geographical location.

This study examines the trends and structural changes in industrial development in Andhra Pradesh during the post-bifurcation period from 2014-15 to 2024-25. The study is based entirely on secondary data obtained from the Government of Andhra Pradesh, Directorate of Economics and Statistics, Socio-Economic Surveys, Ministry of Statistics and Programme Implementation, Annual Survey of Industries, Reserve Bank of India and state industrial-policy documents. The study analyses industrial Gross Value Added (GVA), manufacturing, mining, electricity, construction, organised manufacturing, MSMEs, exports, industrial infrastructure and investment policies using Compound Annual Growth Rates, percentage shares and trend analysis.

The findings indicate substantial growth in the industrial sector. Industrial GVA at constant 2011-12 prices increased from ₹1.12 lakh crore in 2014-15 to ₹2.23 lakh crore in 2024-25, recording a CAGR of approximately 7.13 per cent. Manufacturing GVA increased from ₹48,828 crore to ₹1,06,281 crore, registering a CAGR of about 8.09 per cent. Manufacturing remained the largest component of industrial GVA, while MSMEs and exports contributed to

industrial diversification. However, regional disparities, investment realization, employment generation, infrastructure constraints, MSME competitiveness and environmental sustainability remain important challenges. The study concludes that Andhra Pradesh is moving towards a more diversified industrial development path, with greater emphasis needed on employment-intensive manufacturing, value addition, balanced regional industrialisation and integration with global value chains.

KEYWORDS: Andhra Pradesh; Bifurcation; Industrial Development; Manufacturing; Industrial GVA; MSMEs; Exports; Industrialisation; Secondary Data.

1. INTRODUCTION

Industrialization is an important component of economic development, contributing to Gross Value Added, employment, capital formation, technological progress, exports and structural transformation. It also strengthens linkages between agriculture, industry and services and promotes regional development.

The bifurcation of Andhra Pradesh in 2014 marked a major structural change in the economic and industrial landscape of the state. With Hyderabad becoming part of Telangana, the residual Andhra Pradesh lost its major centre of information technology, pharmaceuticals, manufacturing, financial services and trade. This created the need to develop new economic and industrial growth centres within the state.

Despite this challenge, Andhra Pradesh possesses significant industrial potential due to its approximately 975-kilometre coastline, major ports, agricultural and aquaculture resources, mineral deposits and industrial clusters. These advantages provide a strong foundation for manufacturing, food processing, pharmaceuticals, automobiles, electronics, textiles, chemicals and MSME development. The state government has also introduced industrial policies and investment-support measures, with the Industrial Development Policy 2024-29 focusing on manufacturing, industrial corridors, MSMEs, investment attraction, employment generation and infrastructure.

Against this background, the present study examines not merely the expansion of industry after bifurcation, but the changes in the structure and performance of industrial development in Andhra Pradesh during the post-bifurcation period.

2. Review of Literature

2.1 Sarma (1982) examined the industrial development of Andhra Pradesh from a regional perspective, covering the growth, structure, location and distribution of industries. The study

provides an important background for understanding the historical industrial structure of the state.

2.2 Kapoor and Ahluwalia (2015) analysed the economic growth and structural transformation of Andhra Pradesh. The study observed that the industrial sector responded positively to policy reforms, while the services sector emerged as an important source of growth.

2.3 Golla (2017) examined infrastructure development in Andhra Pradesh and highlighted the importance of power, roads, railways, ports, telecommunications and other infrastructure for economic and industrial development. The study also analysed sectoral GVA and growth during the early post-bifurcation period.

2.4 Nazeeruddin (2020) examined the growth and structure of large- and medium-scale industries in Andhra Pradesh before and after bifurcation. The study classified industries into resource-based and demand-based industries and highlighted the importance of industrialisation for balanced economic development.

2.5 Chandra, Samisetty and Parashuramulu (2022) studied industrial development through MSMEs, with special reference to the erstwhile Chittoor district. The study examined MSMEs in terms of investment, employment and their contribution to GVA and highlighted their importance in regional industrial development.

2.6 Government of Andhra Pradesh – Socio-Economic Surveys provide systematic evidence on industrial GVA, manufacturing, mining, electricity and construction. These surveys also identify manufacturing and MSMEs as important areas for employment generation and industrial development after bifurcation.

2.7 Kanchi (2025) examined the relationship between industrial policy, cluster development and MSME growth in Nellore district. The study identified issues relating to infrastructure, access to finance, land allocation and the integration of MSMEs with industrial value chains, highlighting the importance of effective policy implementation at the regional level.

3. Research Gap

Much of the discussion regarding post-bifurcation Andhra Pradesh has concentrated on GSDP growth, capital city development, investment proposals, infrastructure, or individual industries.

A comprehensive analysis integrating industrial GVA, manufacturing, organised factories, MSMEs, exports, investment and industrial infrastructure over a longer post-bifurcation period is relatively limited.

The present study therefore attempts to analyse industrial development as a multidimensional process rather than using investment proposals or GVA alone.

4. Objectives

1. To examine the growth and trend of the industrial sector in Andhra Pradesh during the post-bifurcation period from 2014-15 to 2024-25.
2. To analyse the growth and structural composition of industrial GVA, including manufacturing, mining, electricity and construction.
3. To examine the performance of the organised factory sector in terms of output, employment, capital and value added.
4. To assess the role of MSMEs and exports in the industrial development and diversification of Andhra Pradesh.
5. To examine the major industrial policy initiatives and investment-support measures introduced after bifurcation.
6. To identify the major structural changes, emerging industrial sectors and challenges affecting industrial development in the state.
7. To suggest policy measures for promoting balanced, sustainable and employment-oriented industrial development in Andhra Pradesh.

5. Hypotheses

The following hypotheses are proposed:

H_{01}: There has been no significant improvement in the industrial GVA of Andhra Pradesh during the post-bifurcation period.

H_{11}: Industrial GVA of Andhra Pradesh has improved significantly during the post-bifurcation period.

H_{02}: There has been no significant structural strengthening of manufacturing within the industrial sector.

H_{12}: Manufacturing has strengthened its position within the industrial sector after bifurcation.

Since this is primarily a descriptive secondary-data study, the hypotheses are examined through trend analysis, growth rates, CAGR and changes in sectoral shares, rather than through sophisticated econometric testing.

6. Research Methodology

6.1 Nature of the Study

The study is descriptive, analytical and trend-based.

6.2 Period of Study

The principal period is: 2014-15 to 2024-25

The year 2014-15 is taken as the starting point because it represents the first post-bifurcation financial year.

6.3 Sources of Data

The study uses secondary data from:

- Government of Andhra Pradesh
- Andhra Pradesh Socio-Economic Surveys
- Directorate of Economics and Statistics
- Ministry of Statistics and Programme Implementation
- Annual Survey of Industries
- Reserve Bank of India
- Government of India Economic Survey
- Andhra Pradesh Industrial Development Policy
- Andhra Pradesh MSME & Entrepreneur Development Policy
- Government of Andhra Pradesh export and investment documents

The latest ASI database provides data through 2023-24 and includes state-level information on factories, fixed capital, employment, output and GVA.

6.4 Tools of Analysis

The following tools are used:

- Percentage change
- Annual growth rate
- Compound Annual Growth Rate
- Sectoral share
- Trend analysis
- Comparative analysis

The CAGR is calculated as:

$$CAGR = \left(\frac{V_n}{V_0}\right)^{1/n} - 1$$

where:

- V_n= final value
- V_0= initial value

- n= number of years

7. Industrial Development after Bifurcation

Broad Sectoral GVA

The broad-sector GVA series at constant 2011-12 prices shows that industrial GVA increased substantially over the study period.

Table 1: Broad Sector GVA of Andhra Pradesh at Constant 2011-12 Prices ₹ lakh crore.

Year	Agriculture	Industry	Services	GSDP
2014-15	1.12	1.12	1.83	4.45
2015-16	1.22	1.24	2.05	4.99
2016-17	1.40	1.39	2.09	5.40
2017-18	1.65	1.47	2.25	5.95
2018-19	1.71	1.52	2.36	6.27
2019-20	1.86	1.51	2.52	6.50
2020-21	1.89	1.80	2.28	6.60
2021-22	2.07	1.86	2.55	7.07
2022-23	2.13	1.94	2.81	7.53
2023-24	2.10	2.09	3.03	7.99
2024-25	2.32	2.23	3.29	8.73

Source: Government of Andhra Pradesh, Socio-Economic Survey 2024-25.

Interpretation

Industrial GVA increased from ₹1.12 lakh crore in 2014-15 to ₹2.23 lakh crore in 2024-25.

The increase was:

$$\frac{2.23 - 1.12}{1.12} \times 100 = 99.1\%$$

Thus, industrial GVA approximately doubled over the decade.

The calculated CAGR is approximately 7.13 percent.

This provides strong evidence of expansion in the industrial sector during the post-bifurcation period.

However, the trend was not uniform. Industrial growth slowed considerably during 2018-19 and 2019-20 and subsequently recovered. The industrial sector recorded a particularly strong recovery during 2020-21, when its real GVA increased by 18.86 percent according to the state's estimates.

Structure of the Industrial Sector

The industrial sector consists primarily of:

1. Mining and quarrying
2. Manufacturing
3. Electricity, gas and water supply
4. Construction

Table 2: Industrial Sub-sector GVA at Constant 2011-12 Prices₹ crore.

Year	Mining	Manufacturing	Electricity & Water	Construction
2014-15	12,798	48,828	10,251	39,963
2015-16	17,393	54,969	11,546	39,947
2016-17	20,632	60,545	14,481	43,657
2017-18	20,116	65,701	17,653	43,858
2018-19	19,739	71,515	14,954	45,796
2019-20	17,756	71,590	20,528	41,503
2020-21	13,051	98,595	23,147	45,137
2021-22	17,081	90,936	19,329	58,330
2022-23	20,943	88,651	21,876	62,888
2023-24	15,722	100,913	23,154	69,193
2024-25	16,147	106,281	24,513	75,801

Source: Government of Andhra Pradesh, Socio-Economic Survey 2024-25.

Manufacturing: The Core of Industrial Development

Manufacturing is the largest component of Andhra Pradesh's industrial sector.

Manufacturing GVA increased from ₹48,828 crore in 2014-15 to ₹1,06,281 crore in 2024-25.

This represents an increase of approximately 117.7 percent.

The calculated CAGR is approximately 8.09 percent.

Table 3: Growth of Major Industrial Sub-sectors, 2014-15 to 2024-25.

Sub-sector	2014-15 GVA (₹ crore)	2024-25 GVA (₹ crore)	Approx. Increase (%)	CAGR (%)
Mining & Quarrying	12,798	16,147	26.2	2.35
Manufacturing	48,828	1,06,281	117.7	8.09
Electricity & Water	10,251	24,513	139.1	9.11
Construction	39,963	75,801	89.7	6.61
Industry	1,12,000*	2,23,000*	~99	7.13

*Rounded broad-sector values.

Source: Calculated from Government of Andhra Pradesh, Socio-Economic Survey 2024-25.

The manufacturing sector therefore emerges as the most important industrial component in terms of absolute GVA.

Changing Importance of Manufacturing

In 2014-15:

$$\frac{48,828}{1,12,000} \times 100 \approx 43.6\%$$

of industrial GVA was generated by manufacturing.

By 2024-25:

$$\frac{1,06,281}{2,22,741} \times 100 \approx 47.7\%$$

Thus, the manufacturing share increased to approximately 47.7 percent.

Table 4: Manufacturing Share in Industrial GVA.

Indicator	2014-15	2024-25
Manufacturing GVA	₹48,828 crore	₹1,06,281 crore
Total Industry GVA	Approximately ₹1.12 lakh crore	₹2.23 lakh crore
Manufacturing share	~43.6%	~47.7%

This indicates a structural strengthening of manufacturing.

Therefore, the evidence supports the alternative hypothesis that manufacturing has strengthened its position within the industrial sector.

Performance of Mining and Quarrying

Mining and quarrying increased from ₹12,798 crore in 2014-15 to ₹16,147 crore in 2024-25. However, its CAGR was only about 2.35 percent, considerably below manufacturing and electricity.

Mining also experienced considerable year-to-year fluctuations.

For example:

- 2020-21: –26.5 percent
- 2021-22: +30.88 percent
- 2022-23: +22.61 percent
- 2023-24: –24.93 percent
- 2024-25: +2.70 percent

This suggests that mining remains an important resource-based activity but is less stable than manufacturing.

Electricity, Gas and Water Supply

Electricity, gas and water-related activities increased from ₹10,251 crore in 2014-15 to ₹24,513 crore in 2024-25.

The CAGR of approximately 9.11 percent was the highest among the four major industrial sub-sectors.

This expansion is important because reliable energy and utilities are prerequisites for industrial development.

Construction Sector

Construction GVA increased from ₹39,963 crore in 2014-15 to ₹75,801 crore in 2024-25.

Its CAGR was approximately 6.61 percent.

The strong growth of construction after 2020-21 is associated with increased infrastructure activity, urbanization, industrial infrastructure and economic recovery.

However, construction should not be treated as a complete substitute for manufacturing because manufacturing generates stronger long-term technological and export linkages.

Organised Manufacturing Sector

The Annual Survey of Industries provides a more detailed picture of the registered organised factory sector.

ASI covers the registered organised manufacturing sector and provides information on:

- operating factories,
- fixed capital,
- working capital,
- employment,
- output,
- GVA,
- emoluments and
- other economic characteristics.

Table 5: Andhra Pradesh in the Organised Factory Sector, 2023-24.

Indicator	Andhra Pradesh
Operating factories	12,305
Fixed capital	₹2,51,895 crore approximately
Working capital	₹84,318 crore approximately
Invested capital	₹3,66,124 crore approximately
Total persons engaged	7,69,214
Total output	₹6,83,623 crore approximately
GVA	₹98,856 crore approximately

Source: Ministry of Statistics and Programme Implementation (MoSPI), *Annual Survey of Industries 2023-24, Summary Results*.

Andhra Pradesh accounted for approximately 6.16 per cent of India's organised factory employment and about 4.02 per cent of aggregate factory-sector GVA according to the ASI 2023-24 results.

The state ranked among the leading states in terms of number of operating factories and organised industrial employment.

Major Manufacturing Industries

The organised manufacturing sector of Andhra Pradesh is diversified.

Major industries include:

- Food products
- Pharmaceuticals
- Chemicals
- Basic metals
- Motor vehicles
- Petroleum products
- Non-metallic mineral products
- Electronics
- Textiles
- Fisheries and marine-product processing

The diversification of manufacturing is an important strength because dependence on one or two industries can increase the vulnerability of a regional economy.

Pharmaceuticals and Chemicals

Pharmaceuticals and chemicals are particularly important because they generate relatively high value addition.

The ASI 2022-23 results show pharmaceuticals among the leading industries in Andhra Pradesh's organised manufacturing sector in terms of GVA.

Source: Ministry of Statistics and Programme Implementation (MoSPI), *Annual Survey of Industries 2022-23*.

This provides an opportunity for Andhra Pradesh to move beyond resource-based production towards knowledge- and technology-intensive manufacturing.

Food Processing

Food processing has considerable potential because Andhra Pradesh has a strong agricultural, horticultural, fisheries and aquaculture base.

This can generate:

- value addition,
- employment,
- reduced post-harvest losses,
- farmer linkages,
- rural industrialization and
- export opportunities.

Food products are already one of the major manufacturing categories in the state's organised factory sector. (MOSPI)

Automobile and Electronics Industries

Automobile manufacturing and electronics have become important components of Andhra Pradesh's industrial strategy.

The state's industrial policies attempt to attract investments in manufacturing sectors that can integrate Andhra Pradesh into national and international production networks.

Electronics manufacturing is especially important because it can:

- Increase technology intensity,
- Generate skilled employment,
- Attract foreign investment,
- Support exports and
- Develop ancillary industries.

MSMEs and Industrial Development

MSMEs represent one of the most important dimensions of post-bifurcation industrial development.

The Government of Andhra Pradesh's Industrial Development Policy 2024-29 reports approximately

Export Performance

Exports are an important indicator of industrial competitiveness and external-market integration. Andhra Pradesh's exports increased from ₹83,971 crore in 2017-18 to ₹1,43,843

crore in 2021-22, an increase of approximately 71.3 per cent. The CAGR during this period was about 14.4 per cent.

Table 6: Exports from Andhra Pradesh.

Year	Exports (₹ crore)	Share in India's Exports (%)
2017-18	83,971	4.22
2018-19	98,410	4.17
2019-20	1,04,829	4.62
2020-21	1,24,744	5.69
2021-22	1,43,843	4.50

Source: Government of Andhra Pradesh, *Strategic Investment Plan under RAMP*, based on Economic Survey and Department of Industries.

The increase in exports indicates growing integration of Andhra Pradesh with national and international markets.

MSME Development

MSMEs are an important component of industrial development because of their contribution to employment, entrepreneurship and regional industrialisation. According to the Andhra Pradesh Industrial Development Policy 2024-29, the state had 7.41 lakh registered MSME units as of February 2024, providing employment to approximately 61.98 lakh persons as of July 2024.

The state has proposed more than 175 MSME parks, including at least one park per constituency, and a policy-period corpus of ₹500 crore for credit support, technology transfer, revival of sick units and research and development.

Table 7: Selected MSME Indicators.

Indicator	Andhra Pradesh
Registered MSME units, February 2024	7.41 lakh
Employment, July 2024	61.98 lakh
Proposed MSME parks	175+
Proposed policy-period corpus	₹500 crore

Source: Government of Andhra Pradesh, *Industrial Development Policy 2024-29*.

These indicators demonstrate that MSMEs are a major source of employment and entrepreneurship in the state.

Industrial Infrastructure

Industrial development depends on adequate physical and institutional infrastructure. Andhra Pradesh's industrial infrastructure strategy includes industrial parks, SEZs, industrial

corridors, sector-specific clusters, food-processing parks, MSME parks, electronics clusters and logistics infrastructure.

Three major industrial corridors are particularly important:

1. Visakhapatnam–Chennai Industrial Corridor – important for coastal and northern Andhra Pradesh and port-based industrial development.
2. Chennai–Bengaluru Industrial Corridor – provides opportunities for industrial development in southern Andhra Pradesh.
3. Hyderabad–Bengaluru Industrial Corridor – strengthens industrial connectivity in the Rayalaseema region.

Industrial corridors and infrastructure are central to the state's long-term industrialisation strategy.

Port-Led Industrialisation

Andhra Pradesh's long coastline and major ports provide a significant comparative advantage. Port-led development offers opportunities for marine exports, food processing, petrochemicals, logistics, warehousing, aquaculture processing and export-oriented manufacturing.

Visakhapatnam, Kakinada and Krishnapatnam are important nodes in this strategy. Port connectivity can therefore support the development of export-oriented industrial clusters and strengthen the state's integration with domestic and international markets.

Industrial Investment Policy

Attracting investment has been an important policy priority after bifurcation. The Industrial Development Policy 2024-29 focuses on manufacturing, investment attraction, employment generation and industrial infrastructure. The Private Industrial Parks Policy 2024-29 seeks to promote industrial parks with plug-and-play infrastructure.

However, investment proposals should not be treated as equivalent to actual investment. Industrial performance should be assessed through the sequence:

Regional Distribution of Industrial Development

Industrial development remains uneven across Andhra Pradesh. Major industrial concentrations are found around Visakhapatnam, Anakapalli, Kakinada, Sri City, Tirupati, Nellore, Guntur, Krishna region, Kurnool, Kadapa and Anantapur.

Industrial concentration can generate economies of scale, specialised skills and common infrastructure. However, excessive concentration may widen regional disparities. Therefore, MSMEs, industrial corridors and district-level industrial clusters can play an important role in promoting more balanced industrial development.

Industrial Development and Employment

Employment generation is an important measure of the quality of industrialisation. The organised factory sector employed approximately 7.69 lakh persons in Andhra Pradesh in 2023-24, according to the Annual Survey of Industries.

Large industries generally provide higher productivity, technology-intensive production and skilled employment, while MSMEs generate relatively wider employment and support local entrepreneurship. A balanced industrial strategy should therefore combine large-scale manufacturing with a strong MSME ecosystem.

Structural Changes in Industrial Development

The post-bifurcation period indicates several important structural changes:

1. Strengthening of manufacturing: Manufacturing GVA more than doubled during the study period.
2. Industrial diversification: Pharmaceuticals, electronics, automobiles, chemicals, food processing and other sectors have gained importance.
3. Expansion of MSMEs: The large MSME base has strengthened decentralised entrepreneurship and employment.
4. Growing export orientation: Exports increased substantially during the period for which comparable data are available.
5. Infrastructure-led industrialisation: Ports, industrial corridors, industrial parks and logistics infrastructure have become important components of the state's industrial strategy.

8. Major Challenges

Despite substantial progress, Andhra Pradesh faces several challenges in industrial development:

1. Investment realization: Investment proposals need to be converted into operational projects.
2. Employment intensity: Capital-intensive industries may generate high output but relatively fewer direct jobs.
3. Regional imbalance: Industrial activity remains concentrated in selected districts.

4. MSME constraints: MSMEs face difficulties relating to credit, technology, marketing, land, skills and market access.

5. Infrastructure gaps: Reliable power, water, transport, logistics and industrial land remain important requirements.

6. Skill gaps: Industrial training needs to be better aligned with emerging industry requirements.

7. Environmental sustainability: Pharmaceuticals, chemicals, mining and petrochemicals require effective environmental management.

9. Major Findings

The major findings of the study are:

1. Industrial GVA increased from approximately ₹1.12 lakh crore in 2014-15 to ₹2.23 lakh crore in 2024-25, at constant 2011-12 prices, recording a CAGR of about 7.13 per cent.

2. Manufacturing GVA increased from ₹48,828 crore to ₹1,06,281 crore, recording a CAGR of approximately 8.09 per cent.

3. Manufacturing remained the principal component of industrial GVA, with its share increasing from approximately 43.6 per cent to 47.7 per cent.

4. Electricity, gas and water supply recorded the highest CAGR among the major industrial components, at approximately 9.11 per cent.

5. Construction GVA increased substantially from ₹39,963 crore to ₹75,801 crore.

6. The organised factory sector had 12,305 operating factories and approximately 7.69 lakh persons engaged in 2023-24.

7. MSMEs emerged as a major source of employment, with 7.41 lakh registered units and approximately 61.98 lakh persons employed according to state policy data.

8. Andhra Pradesh's exports increased from ₹83,971 crore in 2017-18 to ₹1,43,843 crore in 2021-22.

9. Industrial diversification has increased, particularly in pharmaceuticals, chemicals, automobiles, electronics and food processing.

10. Despite industrial expansion, regional disparities, investment realization, employment generation, MSME competitiveness and environmental sustainability remain important challenges.

10. Policy Suggestions

1. Promote Employment-Oriented Manufacturing

Greater attention should be given to labour-intensive sectors such as textiles, garments, footwear, food processing and electronics assembly.

2. Strengthen Agro-Industrial Linkages

Agricultural production should be integrated with processing, storage, packaging, logistics and exports.

3. Strengthen MSMEs

MSMEs require easier access to credit, technology upgrading, digitalisation, quality certification, common facilities and export support.

4. Promote Balanced Regional Industrialisation

Districts should identify industries based on local resources, skills, infrastructure and market potential.

5. Strengthen Port-Based Industrialisation

Port-based clusters can be developed around marine products, food processing, chemicals, logistics and export-oriented manufacturing.

6. Develop Industry-Oriented Skills

Skill development should focus on automation, electronics, data analytics, digital manufacturing, artificial intelligence and green technologies.

7. Promote Green Industrialisation

Industrial parks should incorporate renewable energy, wastewater treatment, waste management, energy efficiency and circular-economy practices.

11. CONCLUSION

The bifurcation of Andhra Pradesh created a major structural challenge because the residual state lost Hyderabad, the principal industrial, commercial and services centre of the undivided state. However, the post-bifurcation period has not been characterised by industrial decline. Instead, the evidence indicates industrial restructuring and substantial expansion.

Industrial GVA nearly doubled from ₹1.12 lakh crore in 2014-15 to ₹2.23 lakh crore in 2024-25, while manufacturing GVA increased from ₹48,828 crore to ₹1,06,281 crore. Manufacturing remained the major component of industrial GVA and recorded a higher growth rate than the overall industrial sector.

The state has also developed a more diversified industrial base covering pharmaceuticals, chemicals, food processing, automobiles, electronics and other manufacturing activities.

MSMEs have emerged as an important source of employment and entrepreneurship, while increasing exports indicate greater integration with external markets.

However, the next phase of industrial development should move beyond investment attraction towards investment realization, employment generation, value addition, balanced regional development, technological upgrading and environmental sustainability. Andhra Pradesh's coastline, ports, agricultural resources, minerals, industrial corridors and MSME base provide a strong foundation for this transition.

The study concludes that Andhra Pradesh has made substantial progress in rebuilding and expanding its industrial base after bifurcation, but the inclusiveness, employment intensity and regional spread of industrialisation will determine its contribution to broad-based economic development.

12. Limitations of the Study

1. The study is based entirely on secondary data.
2. Different data sources may have differences in definitions and coverage.
3. ASI primarily covers the registered organised factory sector and therefore does not represent the entire industrial economy.
4. GVA estimates may be revised periodically.
5. Investment proposals cannot automatically be treated as realised investment.
6. The study does not undertake firm-level analysis.
7. Detailed district-level industrial disparities require separate investigation.

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