



ANDHRA PRADESH LEGISLATURE

ADDRESS
BY

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GOVERNOR OF ANDHRA PRADESH

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Hon'ble Chairman, Hon'ble Speaker and Hon'ble
Members of the State Legislature

I am delighted to address the third joint session of both the houses of Andhra Pradesh Legislature on the occasion of the Budget session of 2016-17.

At the outset, I am happy to state that despite severe bottlenecks in the wake of bifurcation of the state, my government has registered appreciable progress in achieving its objective of inclusive growth with commendable performance in both development and welfare sectors and lived upto the expectations of the people.

I wish to place on record that the unscientific bifurcation of the state has put tremendous stress on the revenues of the new state of Andhra Pradesh. The state received only 46% of the revenues of the combined state while accounting for the 58% of its population, which was confirmed by the 14th Finance Commission.

The resource gap for the 2014-15 fiscal year is estimated at Rs.16,079 crores by AG while the state was granted an adhoc grant of Rs.2,303 crores till date from Government of India, leaving huge pendency of Rs.13,776 crores. Likewise, the grant received for development of seven backward districts in the state is Rs.50 crores per year per district for the last two years. The

tax incentives for industrial development in the state, the financial grants for development of new capital, the promise of a new railway zone, financing polavaram as a national project, the assurance of conferring Special Category Status to the state etc., which are incorporated in the A.P.Reorganisation Act and assured in Parliament, are yet to be fulfilled.

The state also suffered series of natural calamities beginning with Hudhud cyclone which devastated the city of Visakhapatnam causing nearly a loss of Rs.70,000 crores. This was followed by severe drought in majority districts and floods in Nellore and Chittoor districts. However, it is heartening to note that the efforts of my government have earned kudos from all over the country in handling the Hudhud cyclone and floods, while the farming community appreciated our efficient water management in drought conditions.

With relentless hard work and dedication, the state could successfully achieve double digit growth in F.Y.2015-16. As per the advanced estimates of 2015-16, the GSDP at constant (2011-12) market prices, registered a growth of 10.99 percent as against the corresponding national growth of 7.6 percent. The overall Gross Value Added (GVA) growth of 10.50 percent at constant (2011-12) basic prices as against the national growth of 7.3 percent for the same period has bolstered the image of the state. The agriculture sector could register 8.40 per cent growth despite drought, with support from allied sectors, while the

industry and service sectors achieved growth of 11.13 and 11.39 percent respectively. It is heartening to note that the per capita income has reached Rs.1.07 lakh for the first time. My government is aiming to achieve 15 per cent growth in the next fiscal year so as to place the state among the best in the country and live up to the unflinching trust and confidence reposed on the leadership by its people.

Sustaining double digit growth for the next 14 years is imperative to ensure that Andhra Pradesh stands tall among its peers. Going beyond the Human Development concept, our focus will be on enhancing the Happiness Index. My government's vision is to make AP one among the top three performing states by 2022, the top performing state by 2029 and the best destination in the world by 2050.

My government endeavours to be a drought-proof state through a holistic approach of developing, conserving and utilizing the surface and ground water resources. The government is working with the long term goal of augmenting the ground water level to about 8 meters in the pre-monsoon season and about 3 meters in the post-monsoon season. Under Panta Sanjivini, the massive programme of constructing 8.75 lakh farm ponds and use of rain guns are taken up to provide life-saving irrigation during the drought spells. The emphasis on micro-irrigation, which was acclaimed at the national level, will focus on water saving technology.

The major focus of my government is the completion of seven priority irrigation projects in the state. My government is committed to complete Thotapally, Polavaram Right Main Canal, Galeru-Nagari and Handri-Neeva by June 2016, Vamsadhara-II phase, Polavaram Left Main Canal and Velugonda projects by June 2017 and Polavaram-I Phase works by June, 2018. One of the first decisions of the union cabinet was to transfer the 7 mandals falling under the Polavaram submergence area because of which Polavaram has become feasible. The Pattiseema Lift Irrigation scheme, linking River Godavari and River Krishna in a record time of 5 ½ months, an unprecedented and unique effort, ensured drawl of 8 TMC of water to Krishna delta, saved standing crops in the region. This scheme is envisaged to draw not less than 80 TMC of Godavari water, which is otherwise destined to the sea, to Krishna delta, thus enabling Srisaillam water to be allocated to Rayalaseema districts. My government has revived all 175 defunct lift irrigation Schemes by spending Rs.134 crores, thereby stabilizing the ayacut of 1.5 lakh acres. In the days to come, the focus will be on linking the Krishna - Pennar rivers so as to bring the benefits to the farmers of the area.

Under Neeru-Chettu programme, the works taken up have resulted in a substantial improvement in ground water levels, more so in Chittoor, Kadapa and Anantapur districts of Rayalaseema. My government is monitoring, on real time basis,

the ground water availability through 1254 peizometers, which has been extremely useful in scientific management of water resources.

Another important programme helping the farming community in irrigating their land is 'NTR Jala Siri'. Under Phase-I, 2.19 lakh acres of land belonging to 50,000 SCs, STs and small and marginal farmers is provided with irrigation. Under Phase-II, 1.24 lakh bore wells in the command and non command areas of the entire state are sanctioned to augment irrigation facilities.

Agriculture, which provides livelihood to nearly 63 per cent of the population, continues to be non-profitable for decades. Our efforts to increase the productivity levels of all crops are showing results. Despite deficit rainfall and unprecedented heavy rains in some parts of the state, the production of pulses has shown substantial increase. My government is implementing debt redemption scheme with a commitment of Rs.24,500 crores to reduce the debt burden of farmers and also committed Rs.600 crores for horticulture farmers. Out of this commitment, Government has already paid Rs.7,433.00 cores to farmers. Fisheries sector is identified as one of the growth engines under primary sector for achieving double digit growth. The state, with 974 Kms of coastline and 6.00 lakh hectares of fresh and brackish water resources, offers immense potential for fisheries development.

Andhra Pradesh stands first in total value of production of Fish and Prawn and fourth in Marine Fisheries Production. The 'AP Fisheries Policy, 2015' announced by my government envisages to make Andhra Pradesh as 'Aqua Hub of the World'.

Another sector growing in tandem is the live stock sector, which supports 62.54 lakh poor families. The state of Andhra Pradesh, which produces one out of every five eggs produced in the country, is in second position in egg production. The state is also one among the leading producers of meat and milk in the country and aims to become one among the top three states in the country.

My government is committed to ensure that benefits of growth reach the poor and deserving sections of the society and launched a comprehensive package of services to achieve this cherished goal. The supply of 5 Kg rice per head to 136 lakh ration card holders benefitting nearly 4 crore beneficiaries in the state through E-Pos system is harbinger of change in implementing the PDS in the country. Under NTR Bharosa, about 43 lakh pensioners are provided with Rs.1,000 pension per month regularly during the first week without fail, while the differently-abled persons receive Rs.1500 per month. Under the Deepam scheme, a record 11 lakh gas connections have been given and every remaining poor family will be provided connection by March 2017.

Welfare of SCs, STs, BCs, Minorities and Women is on the top of our agenda. The total outlay in SC Sub plan, ST sub plan and the BC sub-plan is Rs.5878 crores, Rs.1904 crores and Rs.6640 crores respectively, and my government is committed to ensure the full implementation of the sub plans. To mitigate the hardship caused to the students, the Government will be soon migrating to the system of monthly payment of scholarship instead of annual payments. Biometrics are being introduced in welfare hostels to monitor the attendance and thereby improve the accountability. Bankable subsidy schemes in welfare departments are an important source of asset creation. In order to ensure effective implementation, my government will soon start geo-tagging of the assets created. To ensure better facilities for SC/ST/BC/minority students, the government has adopted a policy of upgrading all hostels into residential schools. Skill training, sponsorship of coaching to appear in civil service examinations, sponsorship to meritorious students to study overseas are some of the important schemes taken up under the sub plan. Several new schemes will be launched to support income generation activities for the rural artisans of BC community. In the coming months, my government will further strengthen the sub plan and use the money to eradicate poverty and ensure better living standards to the vulnerable sections.

My government is committed to provide reservation to the Kapu/Baliya/Ontari/Telaga communities without hurting the interests of the BCs. Justice Manjunath commission, appointed for this purpose is expected to submit report within eight months.

For the first time in history, a Kapu Corporation has been set up to support income generating activities for poor families among the Kapu/Baliya/Ontari/Telaga communities. In the coming year Rs.1000.00 crores will be spent for this purpose. Similarly, Brahmin Corporation has been formed to help the poor among the Brahmin community. My government will recommend to Government of India, the demand of Rajaka community to be listed in the Scheduled Castes and the demand of the Valmiki community to be included in the Scheduled Tribe category as these communities already enjoy similar status in certain other states. The interest of the weaver community is of paramount importance to the government and an amount of Rs. 110.96 crores has been spent towards their loan waiver.

My government has been implementing several schemes like Dukan-Makan, Roshni, Dulhan and Shaadikhana for the welfare of minorities. Haj houses will be constructed at Kadapa and Vijayawada. The foundation stone for the Urdu university in Kurnool is already laid and efforts are being made to start classes in the coming academic year. My government

is committed to the cause of Muslim reservation and the best legal luminaries are being engaged to defend the case in the Apex court.

Andhra Pradesh Mahila Sadhikara Samstha is working towards women empowerment by providing livelihood support. Under Chandranna Cheyutha, an amount of Rs 8400 crore has been sanctioned to over 84 lakh SHG Women @Rs 10,000 per member as investment capital. Of this, Rs 2423.35 crore has been released to 81.25 lakh rural and urban SHG members in the first phase. With an additional release of Rs.1338.83 crores towards 'interest redemption grant', the total amount of capital infusion came to Rs.10298.63 crores. My government is committed to ensure safety and security of women while empowering them with innovative methods to improve their livelihoods. The products manufactured by women groups are being branded to enable them to market them online by forging partnerships with renowned companies thereby graduating them to the ranks of big entrepreneurs.

Skill Development, my government feels, is pre-requisite to ensure better future for the youth by imparting them employable skills. A comprehensive youth empowerment policy with emphasis on skill development and economic activity is on the anvil and an amount of Rs.500 crores will be spent for this next year. Partnership between Skill Development Corporation and reputed institutions like Siemens, Indian School of Business and

other leadership institutions is being established to impart skills among the youth. Further, the state will promote sports culture among the youth for healthy living and to encourage and to aspire and to participate in the National Games in 2019 which are slated to be held in our state.

Health sector is being given utmost importance by my government. The health insurance coverage has already been enhanced to Rs.2.5 lakhs per family under NTR Vaidya Seva. Further, the new initiative of providing free diagnostic services in Government Hospitals under NTR Vaidya Pareeksha and the maternity support services under Talli-Bidda express and 102 call centre, have received wide acclaim from the public. The maintenance of medical equipment in the government hospitals is being outsourced on PPP mode to maximise their utilization. The Government of India has sanctioned the AIIMS to the state and the foundation stone was laid recently at Mangalagiri. All the above measures ensure improved health care facilities to citizens in the state.

My government has recognized education as a critical aspect for sustainable development and is making efforts to make education for all a reality. Strengthening of infrastructure facilities in schools is taken up on priority under the Sarva Siksha Abhiyaan and Rashtriya Madhyamika Siksha Abhiyaan (RMSA). To improve the learning ability of students, my

government is introducing digital classrooms with digital content in phased manner in all the state run schools.

My government is committed to achieve total literacy in the State by 2019-20. In the field of higher education, seven premier National Institutions have been sanctioned to the State of Andhra Pradesh as per the A.P Re-organisation Act, 2014. Academic courses have already started in 5 of the 7 institutes- IIT Tirupati, IISER Tirupati, IIM Vizag, NIT Tadepalligudem and IIIT Kurnool. A land mark Act has been passed by the state assembly paving the way for entry of top private institutions of Higher Education in the State. All the above measures are intended to make the state a knowledge hub.

Andhra Pradesh has been a pioneer in implementation of MGNREGA and programmes taken up under this scheme in the state have become a model for the entire nation and have found mention in the latest economic survey. By converging the MGNREGA and other funds, my government launched an ambitious programme of laying internal cement roads in villages under the name 'Wada Wadalo Chandranna Bata'. This year alone, a total of 2704 kms cement roads have been laid. Under 'Panta Sanjeevini', my government envisages to build 8.75 lakh farm ponds. About 90 crore trees have been planted under plantation programme as part of MGNREGA. In recognition of the performance, Andhra Pradesh has secured

national award for effective initiatives in transparency and accountability under MGNREGA for the year 2014-15.

Supplying water through individual household connection to all households in urban and rural areas is the vision of my government. Out of the total 48,206 habitations, 18,057 habitations are fully covered (with 55 LPCD), 29,555 habitations are partially covered and the balance 594 habitations are facing some deficit (with quality affected status). My government aims to provide safe, potable drinking water to every panchayat, every municipality and every household in the coming years by sanctioning new schemes and restoring all defunct schemes. To address the issue of quality of drinking water, 728 habitations have been covered under the policy NTR Sujala Pathakam to provide potable water of 20 liters for Rs.2/-. It is also envisaged to make all villages Open Defecation Free (ODF) by 2019 under Swachh Bharath Mission. During 2015-16, 2.82 lakh IHHLs have been completed and 4.49 lakhs IHHLs are under progress. In urban areas, 82,098 IHH toilets have been completed and the balance are under progress.

My government is committed to provide Housing for All by 2022. Two lakh houses under NTR housing scheme in rural areas and another 2 lakh houses under Housing for All (HFA) in urban areas have been sanctioned. Housing, as an economic activity, is recognized as an important growth driver and has

multiplier effect on the economy. My Govt. has enhanced the unit cost of rural housing from Rs.70,000 for general category and Rs.1,00,000 to SCs to uniformly Rs.2.75 lakhs thus ensuring that sufficient amount is available to the beneficiary to complete the house. Also the subsidy has been enhanced to Rs.1.25 lakh for general category beneficiary and Rs.1.75 lakh to a SC/ST beneficiary. The remaining amount is tied up as a loan by Government for the beneficiary. All the houses are proposed with additional features like Tiled flooring, kitchen platform, stair case, parapet wall etc. This is highest ever increase in the amount provided for individual housing by the government.

An effective sand policy plays critical role in infrastructure development and giving fillip to the construction activity. With an aim to make sand easily available to common man and to create an enabling environment for the development of infrastructure in the state and to promote employment opportunities through construction activity, my government has permitted collection of sand from authorized sand quarries free of cost to every citizen in the state. This policy is first of its kind in the country and enables common man to realize his dream of owning a house.

My government launched the 'Smart Village - Smart Ward towards Smart Andhra Pradesh' programme with 20 non-negotiable commitments in partnership with citizens and NGOs.

More than 14,000 partners have already volunteered to be part of this programme and are contributing towards achieving the non-negotiables. My government has launched a people-centric development cum welfare programme called 'Janmabhoomi - Maa Vooru' and conducted three rounds focusing on various thrust areas. The third round held in January 2016 had Smart Village - Smart Ward as the main theme. 'Smart AP Foundation' has been established to achieve the non-negotiables underlined in the programme by working with the partners adopting villages / wards.

The state has become a model for the entire country for initiatives undertaken in power sector. My Government is supplying 24x7 quality power to all the domestic, commercial and industrial consumers. My Government is committed to provide 7 hours of quality and free power to all eligible farmers in the State. The State has become power surplus from a deficit power of 22.5 million units. My government has reduced AT&C losses to 10.29% during this year and it is targeted to achieve single digit loss level by next year. In order to conserve energy, my government has taken up distribution of LED bulbs to all domestic households and about 1.87 crore LED bulbs have been distributed so far to 93.5 lakh households.

My government is committed to replace all inefficient agriculture pump sets with energy efficient and ISI pump sets in phased manner. Further the government has distributed

3,000 Solar Pump Sets to the farmers and it is programmed to distribute 20,000 Solar Pump Sets during 2016-17. I am happy to inform that the State has bagged all the 5 National Awards in Energy Efficiency instituted by Government of India. The State is promoting Renewable Energy and will be adding a capacity of 619 MW of Solar Power to the Grid by April, 2016. To take the fruits of development to the poorest of the poor, it is programmed to complete the electrification of the remaining 4.6 lakh households in the State by June, 2016.

I am happy to state that my government is promoting a 'Port led' development model in order to leverage the 974 km long coast-line in consonance with India's 'Act East Policy'. The State of Andhra Pradesh is well suited to be developed as Logistics Hub on the East Coast of the country and a 'gate-way' for India.

Our Airports have shown an annual traffic growth of 59% over the last year. The works on expansion of existing Airports at Vijayawada, Tirupati and Rajahmendravaram are in full swing. It is proposed to take up 5 new Airports at Bhogapuram, Dagadarthi, Orvakal, Nagarjunasagar and Donakonda.

The works on Floating Storage Regasification Unit (FSRU) and the Gas Pipeline from Kakinada to Visakhapatnam will commence during 2016-17. The City Gas Distribution will be

taken up in East Godavari, West Godavari and Krishna districts during 2016-17.

My government is focusing on development of road connectivity from all the district headquarters to State Capital by a four lane or six lane road. We also are committed to provide road connectivity to all the major ports, tourist places, industrial hubs, to the nearest national highways, and to connect all the mandal headquarters to the District Headquarters with an all weather two lane Road.

To achieve this mission the state government with the assistance of the Ministry of Road Transport embarked upon massive expansion program of National Highways with an approximate cost of about Rs.70,000 crore and 1250 kilometres of State highways were declared as National highways.

The state government is planning for development of Express way between Amaravati and Bangalore through Ananthapuram with connectivity to Kurnool and Kadapa, which would enable quickest possible connectivity from Rayalaseema to state capital of Amaravati.

In partnership with the Indian Navy, my government has successfully organized the International Fleet Review at Visakhapatnam in which 50 countries from across the globe participated. It is a matter of pride for the nation that a large

contingent of navies including that of USA, UK, China and Russia have together participated in the march for the first time. The fleet review conveyed the message of using the seas to promote peace, cooperation and friendship and also to develop partnerships for a secure maritime future.

To spur industrial growth, the best policy instruments and fiscal incentives have been offered to make the industries based in Andhra Pradesh, globally competitive. My government has put in place attractive policies in land, water, power, governance and labour to ensure inflow of investments. My government was awarded second rank among states in 'Ease of Doing Business'. Various government and business delegations from countries such as China, Japan, Singapore, Australia, Malaysia, South Korea, and Netherlands have visited Andhra Pradesh to explore investment opportunities in the state. My government also organized the 1st Sunrise Andhra Pradesh Investment Meet during January 2016 at Visakhapatnam. More than 1400 delegates participated in the Meet, including 300 foreign delegates from 41 countries. A total of 328 MoUs worth Rs.4.67 lakh crore were inked during the Meet comprising various sectors.

My government has recognized the food-processing sector as one of the important growth engines and announced the new Food Processing Policy 2015-16 with attractive incentives aiming at making the state as the most preferred destination

for food processing industries. My government has entered into MoU with World Economic Forum to achieve forward and backward integration through pre- and post- harvesting technologies and to brand 25 selected commodities with the support and participation of world leading companies under new vision for agriculture.

Tourism has been identified as one of the important growth engines and my government has come out with a Tourism Policy 2015-20, which has been awarded the best policy by World Travel and Tourism council in 2015. About Rs.11,000 crore worth of investments pertaining to this sector have been tracked since the launch of the policy. The tourism sector is expected to generate additional 5 lakh jobs by 2020.

To promote the tradition and culture of the state, my government is planning to build iconic facility called *Kuchipudi Natyaramam* in Kuchipudi Village. The most sophisticated multimedia and digital technology would be utilized to showcase the greatness of centuries old Kuchipudi Dance form for the benefit of future generations.

My government has recognized urbanization as a growth engine and drafted a vision of transforming cities and towns in the state into neat, clean and litter free urban habitats for best livability. Thirty one Urban Local Bodies in the State have found place in the Government of India's prestigious scheme 'Atal

Mission for Rejuvenation and Urban Transformation (AMRUT)'. Visakhapatnam and Kakinada have been selected as Smart Cities under 'Smart Cities' project. Next year, the city of Tirupati will be selected as a Smart City. My government is taking steps to develop Kurnool as a Smart City with State funds and initially Rs.100 crores will be released for this purpose.

The City of Visakhapatnam, which was devastated by Hudhud cyclone one year back, is today ranked fifth in the country under Swacha Sarvekshan awards given by Government of India which bears testimony to the untiring efforts of my government. Vijayawada Metro will be completed in three years and plans are afoot to take up the Visakhapatnam Metro early.

The new capital of Amaravati is going to be a world class People's Capital and my government is thankful to the farmers of Amaravati region for the confidence reposed by them in the leadership and coming forward to voluntarily pool their own land for building the capital city. The support given by Singapore government in arranging Master Plan in time bound manner free of cost deserves special commendation. The selection of best Architectural firms and preparation of Architecture Plan is under process. Several renowned companies, from within and outside the country, are evincing interest to start their ventures in the new capital. My

government is confident of building a world class capital, which would play the role of an economic power house to lead the entire state into prosperity.

My government is implementing citizen centric e-governance projects so that the citizen can avail e-services from anywhere effectively and in transparent manner. Andhra Pradesh is among the top states in the country in the delivery of e-services as per e-Taal portal of Government of India. My government is committed to roll out e-Pragathi, the AP State Enterprise Architecture under e-Governance Authority, which is a massive programme providing integrated services to citizens through a free flow of information and to usher in an era of good governance characterized by efficiency, effectiveness and transparency.

With a view to plug irregularities and control corruption in land administration, my government has launched 'Mee Intiki-Mee Bhoomi', an IT enabled programme that aims to purify the land records data in a campaign mode. Under the programme, land records of about 72.15 lakh pattadars have been updated. Digitization of all the village cadastral maps has been completed and government is keen to undertake geo-referencing and integration of all textual and spatial data.

My government is adopting IT solutions in all G2C, G2B, and G2G transactions to improve the service delivery and

eliminate corruption. Several departments have been provided with tabs to update information on real time basis. The use of biometrics, e-pos and tabs in service delivery has earned accolades from various quarters and the Government of India is recommending our model to other states.

My government is encouraging start ups by enacting suitable policies and providing incentives. In the coming years, the state will become a home to many successful start up companies.

My government is implementing the AP Fibre Grid Project to provide 10-15 MBPS connectivity to all the households by 2016. This is intended to benefit about 1.30 crore families by providing a package of services of cable TV, Internet and telephone connectivity for payment of only Rs. 150 per month.

My government is determined to control corruption at all levels and recently passed Special Courts bill with stringent provisions to confiscate the properties of corrupt public servants.

Above all, my government is committed to ensure peace, prosperity and happiness to all the citizens. We are at a critical but challenging phase in history of our state where generations to come will be judging our actions. My government is deeply aware of this and will strive with all its might to fulfil its destiny.

I would like to conclude with the words of Swami Vivekananda

"We are responsible for what we are; and

whatever we wish ourselves to be,

we have the power to make ourselves.

If what we are now has been result of our own past actions,

it certainly follows that whatever we wish to be in the future can be produced by our present actions;

so we have to know how to act"

JAI HIND