GOVERNMENT OF ANDHRA PRADESH

MONTHLY ECONOMIC REPORT

AUGUST 2026



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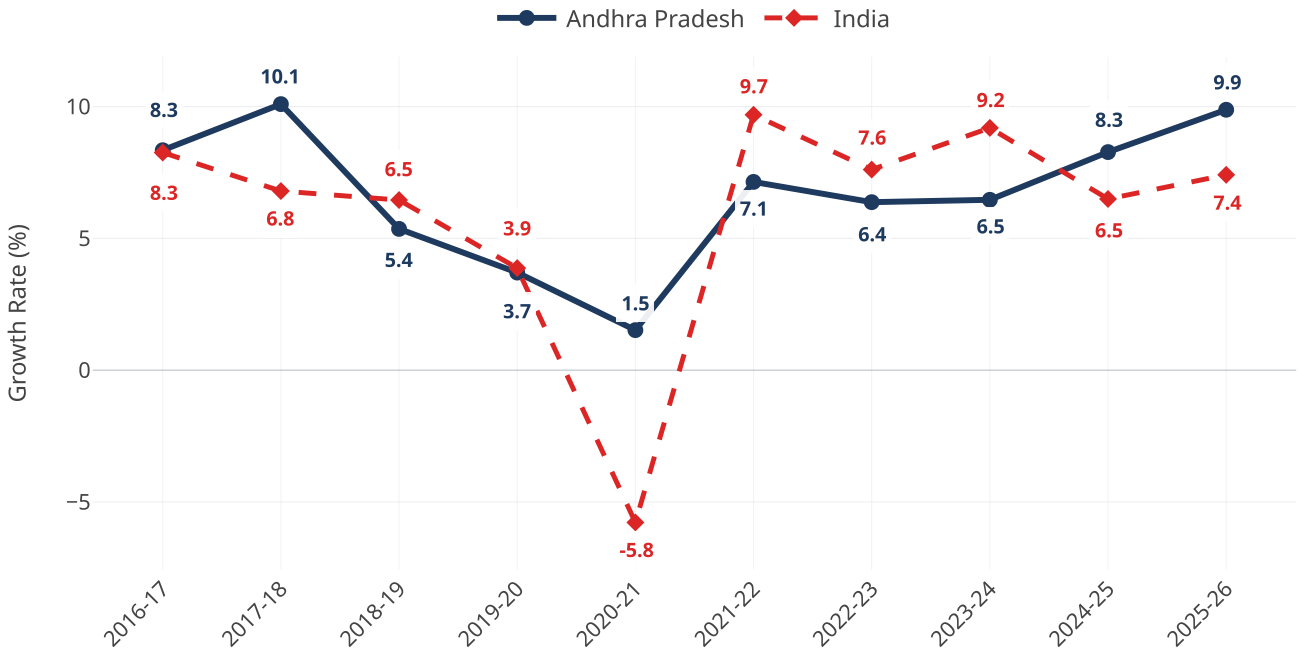
PART I: ANDHRA PRADESH ECONOMIC OVERVIEW

1.1 Growth Overview – Key Insight

Elevated uncertainty continues to characterise the global macroeconomic environment, with sustained geopolitical tensions in West Asia keeping energy prices under pressure. As per IMF, global growth is projected to moderate from **3.2** per cent in 2025 to **3.0** per cent in 2026, before recovering to **3.4** per cent in 2027. Despite this, as noted by the Monthly Economic Review (August), published by GoI, India has sustained its growth momentum in FY27, with recent estimates of GDP growth of **7.8%** surpassing the RBI's estimate of **7.0%** for Q1.

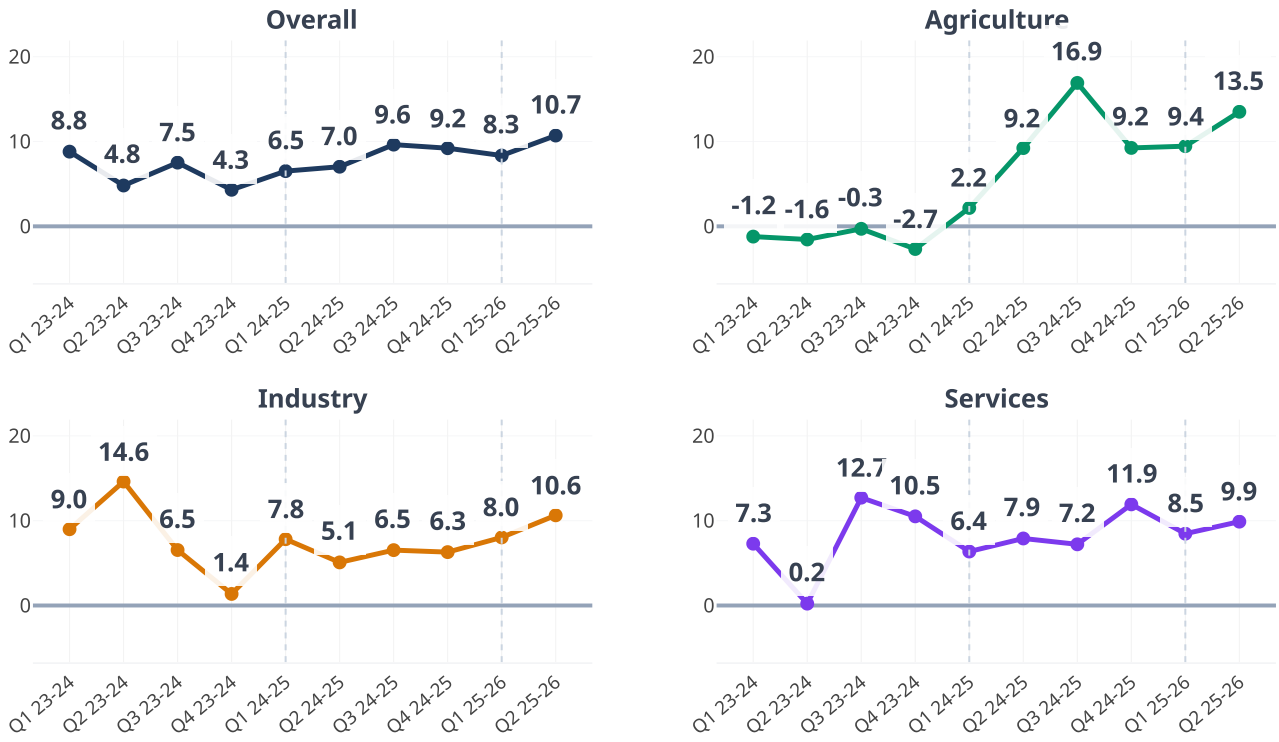
Despite the global and domestic pressures, the state of Andhra Pradesh has maintained substantial growth rate in recent years. Real GSDP growth increased from **6.5%** in FY 2023-24 to **8.3%** in FY 2024-25 and further to **9.9%** in FY 2025-26. For the last two years, state's growth rate has been higher than that of India. It is essential to maintain and exceed the current growth momentum to translate it into actionable outcomes towards attaining the goals of Swarna Andhra.

Figure 1: Real GDP Growth — AP vs India (%)



1.2 Sectoral Growth & Recovery – Key Insight

Figure 2: AP Sectoral Real Growth (q-o-q, %)



Note: MoSPI has not released sector-wise growth rates for Q3 and Q4 of FY 2025–26 at the All-India level under the old base-year series (2011–12). Therefore, the corresponding estimates for Andhra Pradesh are not available. The estimates and graph will be updated once the Andhra Pradesh estimates under the new base-year series (2022–23) are released.

As noted by MER (GoI), India's domestic economic activity remained resilient through July, despite some moderation in high-frequency indicators, while demand stayed firm, supported by healthy consumption, mobility and freight activity. Easing input cost pressures offered some relief to businesses, although heightened external uncertainties continued to weigh on the outlook.

For Andhra Pradesh, the latest growth is broad-based across Agriculture, Industry and Services, with overall real growth reaching **10.7% in Q2 FY 2025-26** — the strongest quarterly reading in the two-year period shown compared with **7.0%** in the same quarter a year earlier.

- **Agriculture** staged a marked turnaround, accelerating to **13.5%** from **9.4%** in Q1 and **2.0%** in the corresponding quarter a year earlier, having moved from contraction through the whole of FY 2023–24 to sustained double-digit growth.
- **Industry** recorded the sharpest gain, growing **10.6%** — more than double the **5.1%** of the corresponding quarter a year earlier, and up from **8.0%** in the preceding quarter reflecting a strong sequential pickup in industrial activity.
- **Services** remained the steadiest performer, at **9.9%**, improving on both **8.5%** in Q1 and **7.9%** a year earlier, and holding up consistently across the series.

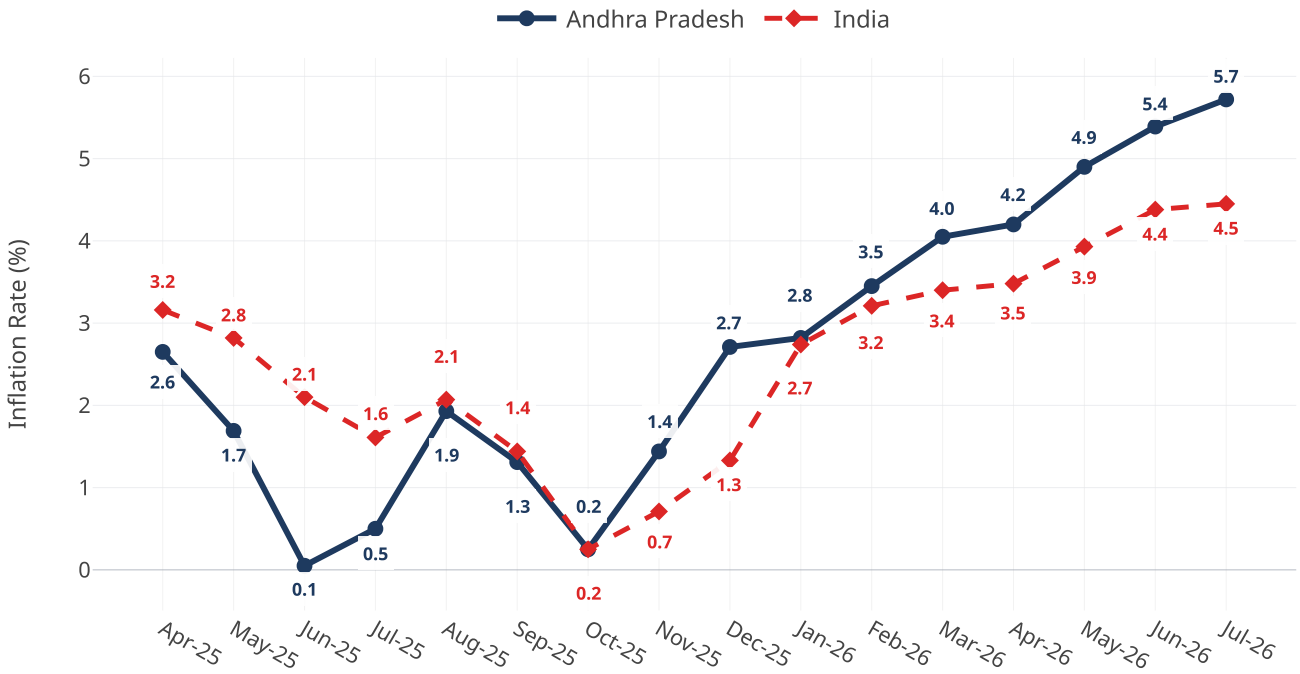
1.2 Sectoral Growth & Recovery (contd.)

The focus may be on sustaining agricultural growth, strengthening manufacturing and industrial activity, and accelerating high-value and employment-generating services to maintain balanced growth across the economy.

1.3 Consumer Price Inflation – Key Insight

Note: The Consumer Price Index (CPI) series has been rebased from 2012=100 to 2024=100, based on the Household Consumption Expenditure Survey (HCES) 2023-24.

Figure 3: CPI-Based Inflation — AP vs India (%, FY 2025-26 & FY 2026-27)



1. Andhra Pradesh recorded a CPI (Combined) inflation rate of **5.72% in July 2026**, increasing from **5.39% in June 2026** and remaining significantly above the **All-India inflation rate of 4.45%**. The trend indicates continued acceleration in inflationary pressures in the State over the past several months, with inflation rising steadily from **2.82%** in January 2026 to **5.72%** in July 2026. Among the southern states, Andhra Pradesh registered the **second-highest inflation rate after Telangana (6.32%)**, while recording higher inflation than Tamil Nadu (**5.44%**), Karnataka (**4.89%**), Kerala (**4.01%**), and the national average.

2. The rise in inflation was driven primarily by **Personal Care, Social Protection and Miscellaneous Goods & Services**, which recorded the highest inflation of **18.80%**, followed by **Food & Beverages inflation at 8.51%**. Much of the Personal Care increase reflects a sharp rise in jewellery prices — silver jewellery (**108.89%**) and gold/diamond/platinum jewellery **(27.72%)**, which the CPI classifies under this division[1]. This is a national and global price phenomenon rather than a State-specific one: in the all-India CPI for July 2026, Personal Care was likewise the highest-inflation division (**14.77%**), with silver jewellery the single highest-inflation item nationally, as precious-metal prices rose steeply through 2025-26 on global demand[2]. As these movements track international bullion markets, this component of inflation **lies largely outside the scope of State-level supply-side intervention**.

3. **Food inflation**, by contrast, is the **addressable component** and remains elevated at **9.13%**, reflecting persistent pressure in essential consumption items, with significant increases in rice, pulses, edible oils, onions and tomatoes. Rural inflation at **6.13%** exceeded urban inflation of **5.09%**, consistent with the higher weight of food in the rural basket. Inflationary pressure has also broadened into services, with Education Services **(7.62%)**, Restaurants & Accommodation Services (**5.73%**) and Transport (**3.99%**) recording notable increases.

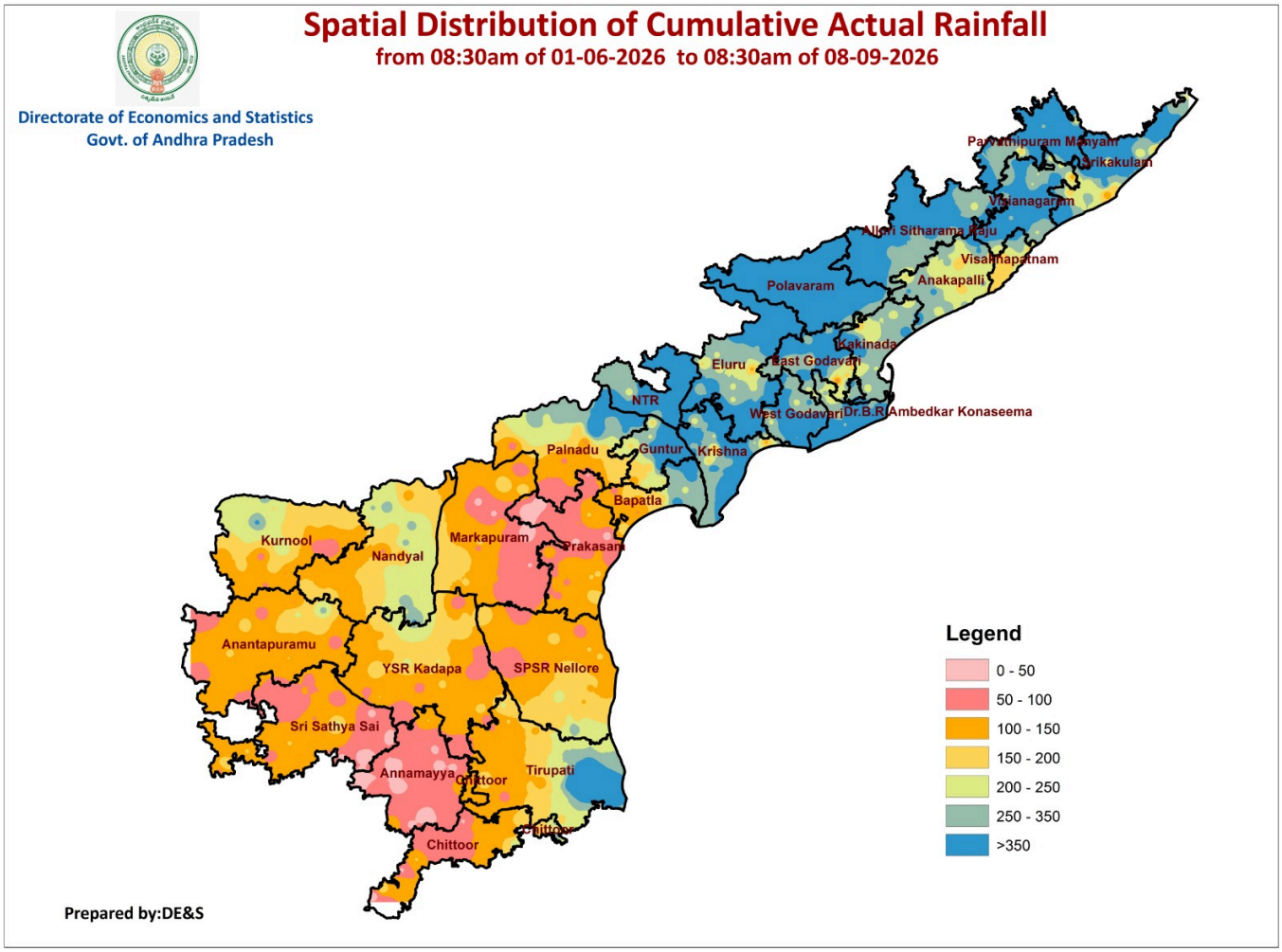
4. Market monitoring data indicate substantial increase in **onion prices**, which rose **54%** over the previous month and **153%** over the previous year, while tomato prices rose **46%** month-on-month. In response, the Government undertook market intervention through 651 special counters, distributing nearly **9,925** quintals of rice at subsidised rates. Given the widening inflation differential between Andhra Pradesh and the national average, supply-side interventions may be prioritised for the food basket where State action is effective — while the jewellery-led component is recognised as a national price movement to be monitored rather than managed at the State level.

Sources:

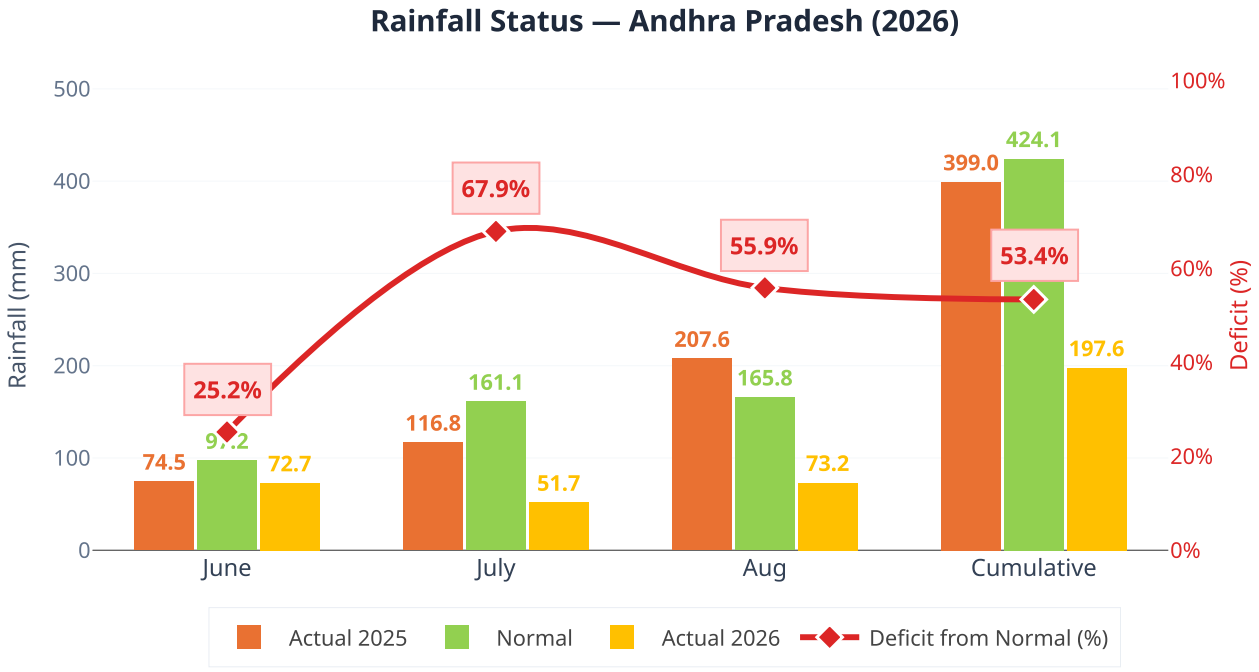
[1] Under the CPI (Base 2024=100), silver and gold/diamond/platinum jewellery are classified as "other personal effects" within the Personal Care, Social Protection and Miscellaneous Goods & Services division. Source: MoSPI/NSO, Consumer Price Index, Base 2024=100 — July 2026, Annexure-II (group-wise indices).

*[2] All-India division-wise inflation and the national top-item ranking are from MoSPI/NSO, Press Release of Consumer Price Index on Base 2024=100 for July 2026 (dated 12 August 2026): Personal Care division at **14.77%** (highest division, Annexure-I); Silver Jewellery the highest-inflation item nationally at **109.84%** (top-5 high-inflation items table). Note: the GoI Monthly Economic Review discusses precious metals in its external-sector/trade section, not its inflation section — the silver-as-CPI-driver point therefore rests on the MoSPI CPI classification, not on the MER.*

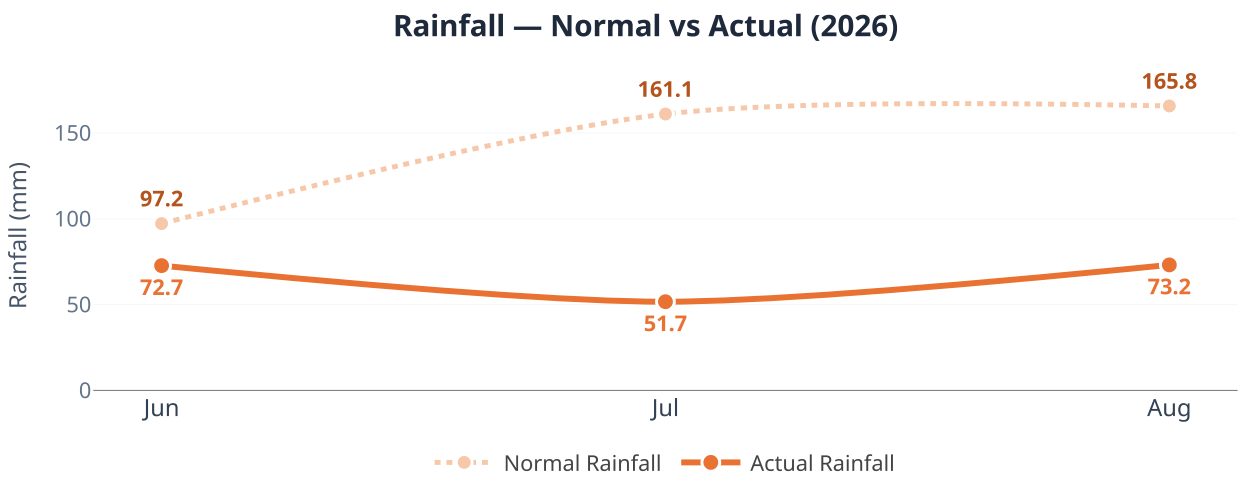
1.4 Rainfall

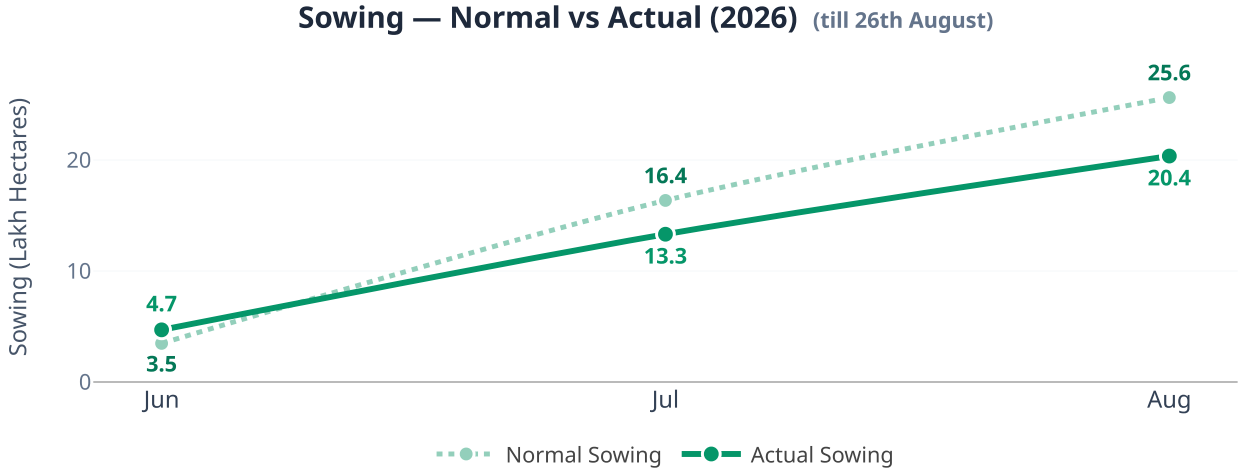


Cumulative Actual Rainfall



Sowing vs Rainfall Analysis





Key Insights

1. For India, rainfall remains uneven. MER(GoI) notes that 'during 1 June–2 August 2026, cumulative rainfall was **13%** below the LPA (Long-Period Average), with significant regional variation: East and Northeast India recorded a **30%** deficit, South Peninsula **23%** and Northwest India **12%**, while Central India recorded a **4%** surplus. The latest assessment indicates that the all-India cumulative rainfall deficit remained at **13%** as of 19 August, although the deficit had narrowed from the much larger shortfall observed earlier in the season.

2. Andhra Pradesh, too, experienced significant rainfall shortfall during the 2026 southwest monsoon season. **Cumulative rainfall during June-August 2026 stood at 197.6 mm against the normal 424.1 mm, resulting in a deficit of 53.4%.** The rainfall situation deteriorated sharply during the early monsoon months, with the deficit widening from **25.2% in June** to **67.9% in July**, before improving marginally to **55.9% in August**. The spatial distribution of rainfall indicates that the deficit was widespread across the State, with relatively severe shortfalls observed across most districts of **Rayalaseema and South**

Coastal Andhra, while comparatively higher rainfall was received in parts of **North Coastal Andhra**, particularly the northern districts. The persistence of below-normal rainfall during the critical kharif season continues to pose risks to agricultural activity and rural livelihoods.

3. The impact of the rainfall deficit is evident in kharif-sowing progress even nationally. As on 21 August, nationally, the total kharif area stood at **1.5** per cent below the corresponding period of last year. For Andhra Pradesh, as of **26 August 2026**, actual sowing reached **20.4 lakh hectares against the normal 25.6 lakh hectares**, achieving nearly **80% of normal coverage**. Sowing started on a positive note in June, with coverage exceeding the normal area by **1.2** lakh hectares. However, as rainfall weakened during July and August, sowing progress slowed. By July, the area sown was **3.0** lakh hectares below normal, and by August the shortfall widened to **5.3** lakh hectares. This indicates that inadequate rainfall and moisture stress have increasingly affected sowing activities, particularly in rain-fed areas. If rainfall conditions do not improve, crop growth, yields and overall kharif production may be adversely affected.

4. In the context of rainfall shortfall, reservoirs provide additional water buffer. As on 8 September 2026, live storage across Andhra Pradesh's reservoirs stood at **595.17** TMC against a gross capacity of **1,106.36** TMC — about **54%** of full reservoir level (APWRIMS). This State-level figure, however, masks a sharp divergence across basins. The major Krishna-system reservoirs remain moderately placed — Srisailam at roughly **61%** and Nagarjuna Sagar at **57%** — cushioned by inflows from upstream catchments outside the State, which supports irrigation and drinking-water security in the Krishna delta. In contrast, the Pennar-basin systems serving Rayalaseema and southern coastal Andhra are low, with Somasila at around **22%** and Kandaleru at **27%** of capacity. Storage in the Pennar and southern systems warrant close monitoring, with drinking-water allocations protected and rabi planning in the affected districts calibrated to the water actually available in storage rather than to normal-year assumptions.

5. From an economic perspective, the prolonged rainfall deficit could affect **agricultural output, reservoir and groundwater recharge, rural incomes and consumption demand** across the State. Lower agricultural production may reduce farm incomes and weaken spending on consumer goods, agricultural inputs and services.. Given the evolving situation, **close monitoring of rainfall patterns, sowing progress, crop conditions, reservoir storage levels and groundwater availability** will remain critical. Timely implementation of contingency crop plans, efficient water management practices and targeted support measures for affected farmers will be essential to mitigate the potential economic and agricultural impact of the rainfall shortfall.

1.5 Historical Milestones

Long-term structural changes to improve water availability:

The Government has taken steps to alleviate the water shortage through structural projects:

1. **Veligonda Project** - On 31 August 2026, Phase-I of the Poola Subbaiah Veligonda Project was inaugurated, enabling diversion of Krishna waters from Srisailam Reservoir through the Veligonda tunnels to Nallamala Sagar. The first phase provides for storage/utilisation of about **10.70** TMC, with an expected irrigation benefit of around **1.19** lakh acres and drinking-water supply to nearly 4 lakh people, providing significant relief to the drought-prone region of the State.
2. **Polavaram Left Main Canal** - On 2 September 2026, Godavari water was released through the Polavaram Left Main Canal towards North Andhra. The canal system is designed to carry **23.44** TMC of Godavari water to meet irrigation, drinking-water and industrial requirements; the present initiative is expected to facilitate irrigation to about **2.87** lakh acres across four districts and drinking-water supply to around **5.23** lakh people, besides strengthening water availability for the Visakhapatnam Anakapalli region.

Together, these developments are expected to improve irrigation security, augment drinking-water availability in water-stressed areas and support agricultural and economic activity across both drought-prone Southern Andhra Pradesh and North Coastal Andhra Pradesh.

PART II: PERIODIC INDICATORS

1. Macro-Economic Indicators

S. No	Indicator	Period	Unit	Value	Change (Over the same period in FY 2026-27)	MoM/QoQ Growth (%)
1	**Index of Industrial Production (IIP) - General**	Jun	Value	147.2	**0.2%**	**-3.5%**
2	**Labor Force Participation Rate (%)**	Apr - Jun	%	57.40	**0.40**	**0.30**
3	**Consumer Price Index (%) (Base Year – 2024)**	Jul	%	5.72	**5.22**	**0.33**
4	**Exports**	Jun	Rs. Cr	16,784	**7.5%**	**-0.2%**

Andhra Pradesh's macroeconomic indicators point to continued resilience alongside emerging areas of concern. Strength in exports and workforce participation is offset by softening industrial momentum and persistent above-national inflation, as detailed below.

Key Observations

High Performing

- Worldwide, trade is being dominated by some emerging patterns of friendshoring, nearshoring and trade concentration, all of which indicate an increased influence of political alignment and geographic proximity on trade. As per GoI's MER, '*India's export performance continued its upward momentum in April-July 2026, with total exports (merchandise & services) reaching USD **316.4** billion, up **13.2** per cent (YoY) from USD **279.6** billion*'. **Reassuringly, Andhra Pradesh exported ~19.4% [1] of total India's merchandise exports between Apr-Jun 2026. State exports continued to be resilient, growing by 7.5% to ₹16,784 crore in June 2026**, reflecting sustained external demand and the State's continued integration with domestic and global markets. The positive growth trajectory indicates the strength of Andhra Pradesh's export-oriented sectors despite global economic uncertainties.

  Source:

  [1] Analysis of GoI's TIA(Trade Inteligence and Analytics)

On Track / Moderate

- Andhra Pradesh's Labour Force Participation Rate stood at **57.4%** in April–June 2026, up **0.4** percentage points year-on-year and about three points above the national rate of **~54.4%** AP has consistently run above the all-India average, reflecting a relatively high level of workforce engagement. But the same period shows the State's unemployment rate at **7.4%**, against roughly **5.4%** nationally. So in essence, AP sits above the nation on *both* counts: more of its working-age population is participating in the labour market, yet a larger share of that labour force is unable to find work.
- At the same time, AP's unemployment rate of **7.4%** is somewhat higher than the national average of **5.4%**. With both LFPR and unemployment elevated, the State's strong labour supply is outpacing job creation. It may also be argued that high scheme transfers could, at the margin, raise households' reservation wages and lengthen job search[1], but even then, the economic sector must work to expand economic activities to help in absorption of this willing workforce.
- GoI's MER notes that there is an improvement in the job market in July 2026. As per some private indices such as the The NaukriJob Speak index, a key indicator of white-collar hiring in India, there seems to be a slight upswing in the white-collar job market, with a 5 per cent year-on-year rise in July 2026. However, the demand is rising in service sectors of IT, but skewed in favour of AI specialists (AI/ML hiring increased by 33 per cent). Preference for freshers (+6 per cent) suggest that hiring demand is being driven by a future-ready workforce[1]. Other non-IT sectors offering hiring increase are Insurance, real estate , healthcare, business process outsourcing-information technology-enabled services). Future education and skilling courses in state may note the long-term trend towards AI and strive to align curriculum accordingly to be in-line with the demands of the future.

  Source:

  [1] **reservation-wage effect that operates *within* the labour force**: the person keeps looking (so still counts as participating), but declines jobs below their new threshold, so they stay counted as *unemployed* for longer. That mechanism produces exactly the AP combination, **high LFPR *and* high UR** because the person is active but choosy.

  [1] GoI MER (Aug)

Needs Attention

- **Consumer Price Inflation (CPI) increased to 5.72% in July 2026**, rising by **0.33** percentage points over the previous month and remaining significantly above the national inflation rate of **4.45%**. The key commodities contributing to the inflation differential may be identified for targeted supply-side interventions and price stabilisation measures.
- **Industrial growth showed signs of moderation.** Although the **Index of Industrial Production (IIP) increased marginally by 0.2% year-on-year to 147.2 in June 2026**, it

Needs Attention

recorded a **3.5% month-on-month decline**, suggesting some weakening in industrial momentum.

- **The composition of industrial growth warrants closer monitoring**, as the recent slowdown indicates the need to ensure that growth is broad-based and supported across sectors to sustain industrial expansion over the medium term.

2. Agriculture & Allied Sector

2.1 Agriculture

S. No	Key Indicator (Production)	Period	Unit	Value	Change (Over the same period in FY 2026-27)	MoM/QoQ Growth (%)
1	**Food Grain - Kharif**	Annual	MTs	1,23,23,129	**39.8%**	-
2	**Oil Seeds - Kharif**	Annual	MTs	2,43,925	**-15.7%**	-
3	**Mango**	Annual	MTs	51,99,800	**4.7%**	-
4	**Banana**	HY2	MTs	53,36,846	**20.2%**	-
5	**Sweet Orange**	HY2	MTs	8,62,204	**10.4%**	-
6	**Other Fruit Crops**	HY2	MTs	32,22,324	**10.3%**	-
7	**Vegetables**	Apr - Jun	MTs	27,73,286	**45.1%**	**13.7%**
8	**Oil Palm**	Apr - Jun	MTs	14,01,944	**36.9%**	**6.5%**
9	**Cashewnut**	Annual	MTs	2,16,907	**27.4%**	-
10	**Cocoa**	Annual	MTs	58,679	**-16.8%**	-
11	**Other Plantation Crops**	Annual	MTs	19,60,069	**9.4%**	-
12	**Chillies**	Annual	MTs	8,63,999	**-26.0%**	-
13	**Black Pepper**	Annual	MTs	1,10,329	**45.5%**	-
14	**Turmeric**	Annual	MTs	2,12,656	**4.9%**	-
15	**Other Spices**	Apr - Jun	MTs	89,434	**304.8%**	**-58.1%**
16	**Jasmine & Chrysanthemum**	HY2	MTs	3,65,646	**8.2%**	-
17	**Crossandra & Other Flowers**	Apr - Jun	MTs	1,44,482	**45.2%**	**16.6%**

Note: Agriculture sector insights remain unchanged from the previous month's report, as the latest available production data largely pertain to Q1 (Apr-Jun 2026) and Annual/HY2 estimates for FY 2025-26. Updated insights will be incorporated upon release of Q2 (Jul-Sep 2026) and HY1 2026-27 data.

Annual/HY2 production indicators relate to FY 2025-26 and represent completed-year performance. They should not be interpreted as current FY 2026-27 production performance.

Key Observations

High Performing

- Foodgrain production increased by **39.8%** during FY 2025-26, indicating strong performance in the completed agricultural year.
- Among horticulture crops, Vegetables (**+45.1%**), Oil Palm (**+36.9%**), Banana (**+20.2%**), Cashewnut (**+27.4%**), Black Pepper (**+45.5%**), and Crossandra & Other Flowers (**+45.2%**) recorded strong growth, reflecting broad-based expansion across several high-value crop segments.

On Track / Moderate

- Mango (**+4.7%**), Sweet Orange (**+10.4%**), Other Fruit Crops (**+10.3%**), Other Plantation Crops (**+9.4%**), Turmeric (**+4.9%**), and Jasmine & Chrysanthemum (**+8.2%**) registered positive growth, indicating stable performance across fruit, plantation and floriculture segments.
- Current-year indicators also remained positive in Vegetables (**+13.7%** QoQ), Oil Palm (**+6.5%** QoQ) and Crossandra & Other Flowers (**+16.6%** QoQ) during April-June 2026, suggesting continued momentum in horticulture production.

Needs Attention

- Oilseed production declined by **15.7%** during FY 2025-26, while Cocoa (**-16.8%**) and Chillies (**-26.0%**) recorded contractions. The factors contributing to these declines may be examined separately in terms of acreage, productivity and market conditions.
- Although Other Spices recorded strong annual growth (**+304.8%**), production declined by **58.1%** on a quarter-on-quarter basis, warranting monitoring of production sustainability and supply conditions.
- More importantly, the **53.4%** cumulative rainfall deficit during June-August 2026 remains the key risk to the agriculture sector. As of 26 August 2026, actual sowing reached **20.4** lakh hectares against the normal **25.6** lakh hectares, achieving about **80%** of normal coverage. While sowing exceeded normal levels in June, the rainfall shortfall subsequently affected sowing progress, leading to deficits in July and August. Continued monitoring of rainfall, crop conditions, reservoir levels and sowing progress will be critical to mitigate risks to kharif production and rural incomes.

2. Agriculture & Allied Sector (contd.)

2.2 Allied Sector

S. No	Key Indicator (Production)	Period	Unit	Value	Change (Over the same period in FY 2026-27)	MoM/QoQ Growth (%)
1	**Milk**	Apr - Jun	MTs	36,30,283	4.7%	-3.1%
2	**Animal Meat**	Apr - Jun	MTs	1,89,059	9.6%	-10.0%
3	**Egg (Lakh number)**	Apr - Jun	Lakh Nos	70,924	5.1%	-12.1%
4	**Poultry Meat**	Apr - Jun	MTs	1,17,140	4.9%	-1.4%
5	**Marine Fish**	Aug	MTs	66,466	15.6%	19.4%
6	**Inland Fish**	Aug	MTs	3,09,525	13.5%	29.6%
7	**Marine Prawn**	Aug	MTs	21,102	17.4%	9.1%
8	**Fresh water Prawn**	Aug	MTs	1,46,750	29.0%	32.2%
9	**Brackish Water Prawn**	Aug	MTs	1,07,889	1.6%	12.8%

Note: Livestock sector insights remain unchanged from the previous month's report, as the latest available data pertain to Q1 (Apr-Jun 2026). Updated insights will be incorporated upon release of Q2 (Jul-Sep 2026) data.

Key Observations

High Performing

- Livestock activity remained positive during April–June, with Animal Meat (**+9.6%**), Eggs (**+5.1%**), Poultry Meat (**+4.9%**), and Milk (**+4.7%**) recording growth - a consistency that is particularly valuable in a deficit-monsoon year, since livestock and dairy provide households an income buffer that is relatively insulated from rainfall shortfalls.
- **Fisheries sector performed strongly during August 2026**, led by **Freshwater Prawn production growth of 29.0%**, followed by **Marine Prawn (17.4%)**, **Marine Fish (15.6%)**, and **Inland Fish (13.5%)**, indicating robust performance across major aquaculture and fisheries segments.

On Track / Moderate

- **All major livestock indicators continued to record positive year-on-year growth**, reflecting sustained stability in the allied sector. The consistent growth in milk, meat, poultry and egg production provides an important source of income diversification and resilience for rural households.

On Track / Moderate

- **Brackish Water Prawn production increased marginally by 1.6% year-on-year**, indicating stable performance, while registering a healthy **12.8% growth over the previous month**, suggesting improvement in the segment's operational conditions.

Needs Attention

- **While fisheries performance remained strong in August,** sustaining this momentum will depend on continued monitoring of input costs, disease incidence, weather conditions and export demand across the livestock and aquaculture segments.

3. Industries Sector

S. No	Key Indicator	Period	Unit	Value	Change (Over the same period in FY 2026-27)	MoM/QoQ Growth (%)
Manufacturing						
1	**Index of Industrial Production (IIP) - Manufacturing**	Jun	Value	129.8	-6.8%	-9.6%
2	**Registered Factories**	Apr - Jun	Nos	200	31.6%	11.7%
Electricity						
3	**Electricity Generation**	Aug	MU	6,135	6.7%	-2.2%
4	**Electricity Consumption**	Aug	MU	8,126	20.3%	-0.5%
5	**Index of Industrial Production (IIP) - Electricity**	Jun	Value	223.5	13.5%	-6.2%
Mineral Production						
6	**Major Mineral**	Aug	MTs	64,63,359	7.6%	-7.8%
7	**Minor Mineral**	Aug	MTs	2,50,65,326	114.0%	91.3%
8	**Index of Industrial Production (IIP) - Mining**	Jun	Value	134.0	6.1%	29.5%

Note: IIP manufacturing estimates are based on the existing series (Base Year 2011–12). The transition to the new series (Base Year 2022–23) is underway; therefore, the indices are subject to revision.

Andhra Pradesh's industrial performance shows a headline resilience but which diverges from the national trend. For India, Industrial activity strengthened in June, while high-frequency indicators pointing to moderate improvements in manufacturing in July. However, the MER(GoI) notes that the emerging developments in high-technology sectors suggest a deepening technology–manufacturing ecosystem. With national Manufacturing IIP growing at ~7.8% (June), within a favourable global cycle in which India is among the fastest-growing emerging industrial economies. Even then, there are signs of caution. The RBI's 114th Industrial Outlook Survey shows the Business Assessment Index declining to 100.4 in Q1 from 108.8 in the previous quarter, while remaining above the expansion threshold. Further, its Business Expectations Index for Q2, however, stayed firmly expansionary at 111.1, indicating continued, albeit cautious, optimism among manufacturers.

AP's pattern is close to the inverse: its index is held up mostly by Mining (+6.1%) and Electricity (+13.5%), while Manufacturing has contracted (-6.8%). The priority emerging from the data is structural: reviving manufacturing by identifying the constraining industries and clearing bottlenecks in power, approvals, market access and input costs.

Key Observations

High Performing

- **Mining and electricity emerged as the key drivers of industrial growth.** The IIP-Mining increased by **6.1%** year-on-year in June 2026, while IIP-Electricity grew by **13.5%**, reflecting strong performance in extractive industries and the power sector.
- Mineral production recorded robust growth, led by Minor Minerals, which increased by **114.0%** year-on-year, while Major Mineral production grew by **7.6%**, indicating strong demand and higher production activity across the mining sector.
- Industrial capacity expansion remained positive, with the number of registered factories increasing by **31.6%** during April-June 2026, suggesting continued investment activity and industrial diversification in the State.
- Electricity consumption increased by **20.3%** year-on-year to **8,126** MU in August 2026, indicating sustained demand from industrial, commercial and household consumers and reflecting continued economic activity across sectors.

On Track / Moderate

- **Electricity generation grew by 6.7% year-on-year to 6,135 MU**, supporting the rising energy requirements of the State, although the growth in generation was lower than the growth in consumption.
- **Mining sector performance remained broadly positive**, with both mineral production and mining-related industrial output recording growth, supporting overall industrial activity in the State.

Needs Attention

- Manufacturing activity remains a concern. The IIP-Manufacturing declined by **6.8%** year-on-year and **9.6%** month-on-month in June 2026, indicating weakness in the State's manufacturing sector despite positive performance in mining and electricity.
- The composition of industrial growth requires closer monitoring, as overall industrial performance is being driven primarily by mining and electricity, while manufacturing, which is a major source of employment and value addition, has contracted.
- Electricity consumption continues to outpace electricity generation, with consumption growing by **20.3%** compared to generation growth of **6.7%**. The sources and cost of meeting the additional demand may be monitored to ensure reliable and cost-effective power supply.

Needs Attention

- Major mineral production recorded a month-on-month decline of **7.8%** in August 2026, despite positive annual growth. Mineral-wise assessment may be undertaken to identify operational, logistical or market-related constraints and sustain growth momentum in the sector.

4. Service Sector

S. No	Key Indicator	Period	Unit	Value	Change (Over the same period in FY 2026-27)	MoM/QoQ Growth (%)
1	**GST Net Revenue**	Aug	Rs. Cr	3,173	6.3%	-3.2%
2	**Cargo Handled by Ports**	Aug	MMT	18	1.8%	1.2%
3	**Air Passengers**	Aug	Nos	4,34,461	-15.3%	-0.8%
4	**Cargo Volumes**	Aug	MTs	498	5.0%	-12.3%
5	**New commercial vehicles registered**	Apr - Jun	Nos	33,234	51.6%	17.5%
6	**Tourists - Domestic**	Aug	Nos	3,12,86,036	29.4%	0.9%
7	**Tourists - Foreign**	Aug	Nos	62,711	328.9%	1434.0%
8	**STPI Export**	Apr - Jun	Rs. Cr	1,500	32.2%	0.0%

Andhra Pradesh's services sector remained a source of broad-based momentum, in-line and in parts better than the national monthly movement. At the all-India level, services activity has been robust the newly launched Index of Services Production recorded double-digit growth across most sub-sectors. However, PMI Services index remained in the expansionary zone, though declining to 53.3 in July from 57.4 in June.

AP's indicators echo the services growth, led by STPI/IT exports and commercial-vehicle registrations, the latter riding the same national auto and logistics upcycle. GST net revenue and port and cargo throughput point to steady underlying trade and commercial activity, while tourism recorded exceptionally strong growth in August.

On balance, Services remain the State's steadiest engine; the priority is to sustain momentum in IT, tourism, logistics and trade while addressing the airport- and route-level factors behind the decline in air connectivity.

Key Observations

High Performing

- **For India,** in July 2026, services exports grew by **6.4%** (copy) to $**35.9** billion, while the services imports grew by **9.5%** to $**18.9** billion. In AP, **STPI exports increased by 32.2% to ₹1,500 crore during April-June 2026**, reflecting strong growth in the State's IT and IT-enabled services sector and continued expansion of digital services.
- **Commercial vehicle registrations grew by 51.6% to 33,234 vehicles**, indicating robust demand from transport, logistics, construction and allied sectors.

High Performing

- Tourism activity witnessed strong growth during August 2026, with foreign tourist arrivals increasing by **328.9%** to **62,699** and domestic tourist arrivals rising by **28.8%** to **31.15** lakh. The increase was supported by international conferences in Visakhapatnam, visits by delegations from the Korean and Vietnam Tourism Boards, major religious events at Tirupati and Prasanthi Nilayam, Buddhist tourism, and international expos and festivals that attracted visitors to the State.

On Track / Moderate

- **India's GST collection grew by 10.1% for the period Apr-July over the corresponding period last year. In line with the national increase, AP's GST Net Revenue for August 2026, increased by 6.3% to ₹3,173 crore**, indicating stable economic activity and revenue mobilisation.
- **Cargo volumes grew by 5.0% to 498 MTs and port cargo handling increased by 1.8% to 18 MMT**, suggesting continued momentum in trade and logistics activity.

Needs Attention

- The minor divergence from the national trend is air passenger traffic, which fell **15.3% to 4.34 lakh passengers in August 2026, even as there was moderate recovery in India's total air passenger traffic, pointing to route connectivity and regional considerations. India's air passenger traffic continued to decline between Feb and April 2026, recovering strongly in May with a 7.7% growth rate and then again showed a marginal decline in the next one month.** It is suggested to explore if tourism circuits and air-traffic strategy can be linked to give a fillip to the sector.
- **Cargo volumes recorded a 12.3% month-on-month decline despite positive annual growth,** requiring monitoring to assess whether the slowdown is temporary or indicative of emerging logistics-related constraints.
- **GST collections declined by 3.2% on a month-on-month basis,** highlighting the need for continued monitoring of revenue trends and economic activity.

5. Banking & Finance

S. No	Key Indicator	Period	Unit	Value	Change (Over the same Quarter in FY 2026-27)	QoQ Growth (%)
1	**Aggregate Credits in Rs Crores**	Apr - Jun	Rs. Cr	10,28,281	**15.6%**	**3.1%**
2	**Aggregate Deposits in Rs Crores**	Apr - Jun	Rs. Cr	6,60,470	**15.4%**	**2.1%**
3	**Credit Deposit Ratio**	Apr - Jun	Ratio	1.56	0.00	**0.02**
4	**% of Priority Sector Advances**	Apr - Jun	%	33.52	**1.52**	-
5	**% of Agrl. Adv.**	Apr - Jun	%	31.56	**0.56**	-
6	**% of Total MSME**	Apr - Jun	%	41.09	**2.09**	-
7	**SHG Advances**	Apr - Jun	Rs. Cr	7,521	**17.1%**	-

Note: Banking sector insights remain unchanged from the previous month's report, except for SHG Advances, as the latest available data pertain to Q1 (Apr-Jun 2026). Updated insights will be incorporated upon release of Q2 (Jul-Sep 2026) data.

India's external sector remained resilient amid heightened volatility during Q1 of FY27. The widening of the current account deficit and the recorded outflows of capital account largely reflected temporary FPI pressures. Cumulatively, the capital account recorded a net outflow of USD 5.0 billion during April-June 2026[1]. These pressures have since eased following recent measures, with a sharp pick-up in banking capital inflows and reserves signalling a reversal in capital flows.

Andhra Pradesh's banking indicators point to healthy, broad-based credit growth in line with the national trend. Aggregate credit and deposits closely matched and consistent with all-India bank credit growth of around 17.7%. Credit continues to flow toward priority segments, reflecting sustained support for financial inclusion. With credit and deposit growth now closely aligned, the Credit-Deposit Ratio has stabilised at 1.56 — a healthier and more sustainable position. It is now essential to improve the quality of deployment: the sectoral allocation of incremental credit.

Source:

[1] MER, GoI, August 2026

Key Observations

High Performing

- Aggregate Credit growth accelerated sharply from **11,534 crore to 30,993 crore.** This reported credit growth (**+168.71%**) is a wide outlier against national total bank credit

High Performing

(**+17.7%** as on 15 July) and NBFC credit (~**16.6%**). It is plausible that this is a coverage/base effect in the quarterly flow rather than genuine underlying growth of that magnitude and hence requires deeper SLBC-review call before drawing conclusions.

- Aggregate Deposit growth also strengthened from **7,661 crore to 13,492 crore**, reflecting a **76.11% increase**. The share of **MSME Advances increased from 39% to 41%**, indicating continued expansion of credit to the MSME sector.
- **SHG Advances increased by 17.1% to ₹7,521 crore**, indicating expanded access to formal credit for Self-Help Groups and continued support for financial inclusion.

On Track / Moderate

- The share of Priority Sector Advances increased from **32%** to **33.52%**, an improvement of **1.52** percentage points. Similarly, Agricultural Advances increased from **31.00%** to **31.56%**, recording a gain of **0.56** percentage points. These trends indicate continued alignment of credit flow towards priority and agriculture sectors.

Needs Attention

The **Credit-Deposit Ratio increased substantially from 1.51 to 2.30**, an increase of **0.79 points**, indicating that credit expansion has significantly outpaced deposit mobilization. Nationally, financing conditions are supportive but disciplined — corporate capacity utilisation at **75.5%** (above long-term average) and improving debt-servicing capacity (RBI FSR, June 2026). So AP's task is to ensure its credit surge converts into the same productive, well-covered investment while rebuilding its deposit base. Accordingly, the **sectoral deployment of incremental credit may be reviewed through SLBC** to ensure that credit expansion is translating into productive investment, MSME growth, agricultural development, and employment generation.

6. Public Finance

Monthly

S. No	Key Indicator	Period	Unit	Value	Change (Over the same period in FY 2026-27)
1	**Tax Revenue**	Aug	Rs. Cr	8,809	**13.0%**
2	**Non-Tax Revenue**	Aug	Rs. Cr	587	**32.5%**
3	**Revenue Expenditure**	Aug	Rs. Cr	18,504	**6.2%**
4	**Capital Expenditure**	Aug	Rs. Cr	3,780	**113.7%**

Capital Expenditure (includes Loans and Advances) as per SFAR of CAG

Cumulative

S. No	Key Indicator	Period	Unit	Value	Change (Over the same period in FY 2026-27)
1	**Tax Revenue**	Apr - Aug	Rs. Cr	45,169	**17.1%**
2	**Non-Tax Revenue**	Apr - Aug	Rs. Cr	2,921	**30.0%**
3	**Revenue Expenditure**	Apr - Aug	Rs. Cr	1,08,837	**5.4%**
4	**Capital Expenditure**	Apr - Aug	Rs. Cr	16,001	**19.3%**

Andhra Pradesh's public finances show a strong, capital-oriented performance that aligns with the national investment-led fiscal stance. Revenue mobilisation was robust in August 2026, with Tax Revenue up 13.0% and Non-Tax Revenue up 32.5%; on a cumulative basis (April–August), tax revenue grew 17.1% and non-tax revenue 30.0% a healthier trajectory than the national softer start to the year on tax collections.

The standout is capital expenditure, which rose 113.7% in August and 19.3% cumulatively, closely mirroring the Centre's own capex-led posture and pointing to a decisive tilt toward asset creation. Revenue expenditure grew a measured 5.4% cumulatively, so the expenditure mix has shifted toward capital spending — favourable for medium-term growth, provided the moderation in revenue expenditure does not compress essential services or priority programmes.

The priority emerging from the data is one of execution rather than allocation: sustaining the capex momentum will depend on timely project implementation and expenditure absorption,ensuring that higher budgetary provisions translate into commissioned assets rather than unspent balances.

Key Observations

High Performing

- **Tax Revenue increased by 13.0% to ₹8,809 crore in August 2026**, reflecting continued strength in revenue mobilisation and economic activity. It is also borne out by cumulative figures, where tax revenue between Apr-Aug 2026 was higher by **17.1%** over the corresponding period last year. This is a notably stronger trajectory than the Centre's, whose gross tax revenue grew modestly at **3.7%**[1] between Apr-June, even as GST holds up.
- **Non-Tax Revenue grew by 32.5% to ₹587 crore in August, and by 30% cumulatively between Apr-Aug**, indicating healthy growth in non-tax receipts and supporting overall fiscal performance.
- **Capital Expenditure increased sharply by 113.7% to ₹3,780 crore**, reflecting a significant acceleration in infrastructure and development spending. On a cumulative basis, it grew by **19.3%** over the same period last year, a decisive tilt toward asset creation that mirrors the Centre's own capex-led fiscal posture.

Source:

[1] GOI, MER August 2026

On Track / Moderate

- Revenue Expenditure grew a measured **6.2%** to ₹**18,504** crore in August and **5.4%** cumulatively to ₹**1,08,837** crore, keeping recurring spending in check and reinforcing the shift toward a more capital-oriented expenditure mix. As this restraint continues, its components may be monitored to ensure that expenditure moderation does not come at the cost of essential services or priority programmes, particularly given elevated inflation over the period**.**

Needs Attention

- **Sustaining the recent momentum in capital expenditure will be important** to support infrastructure creation, investment facilitation and long-term economic growth.
- Given that non-tax revenue can be episodic arising from interest, dividends, royalties and one-time fees the composition underlying this growth may be reviewed to confirm how much is recurring, so that expenditure planning is not anchored to potentially non-repeatable receipts.
- **Close monitoring of capital project implementation and expenditure absorption may be undertaken** to ensure that higher budgetary allocations translate into timely execution and productive asset creation.

7. Investment Outlook

Investment Category	Period	Unit	Value	Change (Over the same period in FY 2026-27)	MoM/QoQ Growth (%)
Investments Grounded (Large and Mega)	Apr - Aug	Rs. Cr	3,03,600	84.5%	-
Investments Grounded (MSMEs)	Aug	Rs. Cr	60,859	41.6%	1.4%

Andhra Pradesh's investment momentum remained strong and broad-based, landing in a national environment that is broadly supportive of capital inflows even as global investment grows more selective. This sits within a strong national FDI recovery, India's net FDI rose sharply in the early months of FY27, and its 2025 inflows grew 44% to USD 38.9 billion, lifting the country to the 11th-largest global FDI recipient, with South Asia's overall increase driven largely by India. That said, global FDI is concentrating in a narrow set of strategic, technology-intensive sectors AI infrastructure, semiconductors, critical minerals and energy-transition technologies, a shift that raises the premium on how effectively the State positions its offer and integrates into these value chains rather than competing on factor cost alone.

For Andhra Pradesh, Investments grounded under the Large & Mega category rose 84.5% to ₹3.04 lakh crore (April–August 2026), with MSME investments up 41.6%, pointing to a widening pipeline across both large industry and smaller enterprises. The section below reviews the investment indicators in turn; the central priority emerging from them is the transition from investment grounded to investment realised, and its conversion into production and employment.

Key Observations

High Performing

- **Investment grounding showed strong momentum across both large industries and MSMEs.** Investments grounded under the **Large and Mega category increased by 84.5% year-on-year to ₹3.04 lakh crore during April-August 2026**, reflecting strong investor interest and successful project facilitation by the State.
- **MSME investments grounded increased by 41.6% year-on-year to ₹60,859 crore in August 2026**, indicating continued expansion of the small and medium enterprise ecosystem and broad-based investment activity.
- The strong growth in both Large & Mega and MSME investments provides a favourable pipeline for future industrial expansion, capacity creation and employment generation.

On Track / Moderate

MSME investments recorded a positive month-on-month growth of 1.4%, indicating sustained investor confidence and continued project grounding activity in the sector.

Needs Attention

- **While investment grounding remains robust, emphasis may now shift towards investment realisation.** Close monitoring of projects from grounding to construction, commissioning, commencement of production and employment generation will be important to ensure timely economic outcomes.
- **Project-level bottlenecks relating to land availability, infrastructure connectivity, power supply, regulatory approvals and logistics may be identified and addressed proactively to accelerate implementation.**
- As investments translate into operational projects, focused efforts may be made to enhance employment opportunities and local workforce participation, ensuring that investment growth results in broad-based job creation and income generation.

⚠ RISKS TO OUTLOOK

The State economy continues to show positive momentum, supported by strong investment growth, revenue mobilisation, banking sector expansion, fisheries growth and resilience in the services sector. However, the underlying performance remains uneven and requires focused attention.

The **53.4% cumulative rainfall deficit during June-August 2026** remains the most immediate risk, with potential implications for kharif crop performance, water availability, agricultural output, rural incomes and consumption demand.

Other areas requiring monitoring include **inflation remaining above the national average, contraction in manufacturing output despite growth in mining and electricity, lower cumulative capital expenditure, decline in air passenger traffic, and the conversion of grounded investments into actual production and employment generation**. While investment momentum remains strong, continued emphasis on timely project implementation and creation of quality employment opportunities will be important to ensure that the benefits of investment-led growth are broad-based and inclusive.

KEY PRIORITIES EMERGING FROM JULY 2026

1. **Agriculture**: Rainfall, crop conditions, reservoir levels and groundwater availability, and ensure timely implementation of contingency measures in rainfall-affected districts may be closely monitored. Efforts may be made to prioritise drinking-water security and protective irrigation in the deficit basins, activate district contingency crop plans, and calibrate rabi planning to the water actually in storage rather than to normal-year assumptions.
2. **Fisheries & Aquaculture:** Sustain the strong growth momentum in fisheries and aquaculture through continued monitoring of production, disease incidence, input costs and export demand.
3. **Inflation**: Key commodities contributing to inflation may be identified and targeted supply-side interventions to contain price pressures may be taken accordingly
4. **Manufacturing**: Review of the factors contributing to the contraction in manufacturing output and identify sector-specific bottlenecks relating to infrastructure, power, market access and approvals, is of immediate priority to reverse the structural contraction
5. **Investment**: Monitoring of grounded investments to ensure timely transition to construction, production and employment generation, with focused resolution of project-level bottlenecks to be strengthened
6. **Employment**: Leverage the strong investment pipeline to enhance employment generation and local workforce participation, ensuring that investment-led growth translates into broad-based economic opportunities. Investment realisation and skilling may be sequenced to convert the pipeline into local employment.

7. **Power**: Monitor the gap between rising electricity consumption and relatively slower growth in generation to ensure reliable and cost-effective power availability.
8. **Public Finance**: Imperative to convert the capital-expenditure surge into commissioned assets. Sustain the recent momentum in capital expenditure and improve expenditure absorption to support infrastructure creation and long-term economic growth.
9. **Services**: Sustain growth in IT exports, tourism, logistics and trade while examining the reasons for the decline in air passenger traffic and addressing connectivity-related constraints.
10. **Banking & Finance**: Ensure continued credit flow to productive sectors, particularly agriculture, MSMEs and priority sectors, while maintaining the momentum of financial inclusion initiatives.

Conclusion

August 2026 indicators suggest that Andhra Pradesh continues to maintain positive economic momentum, supported by strong investment growth, revenue mobilisation, services activity, banking sector expansion, and robust performance in fisheries and aquaculture.

However, the **53.4% rainfall deficit** remains the most immediate risk to agricultural activity, rural incomes and consumption demand. While long-term structural projects such as the recently-inaugurated Veligonda and Polavaram will help in improving irrigation security and drinking-water availability in water-stressed areas, a closer look at mitigating the effect cause by rainfall deficit in certain areas may be undertaken. In addition, higher-than-national inflation and weakness in manufacturing warrant continued monitoring.

The immediate policy focus may be on managing rainfall-related risks, while the medium-term focus should be on strengthening manufacturing, sustaining growth in high-value services, and converting the strong investment pipeline into production, employment and broad-based economic growth.

Annexures

Crop-wise Area Sown

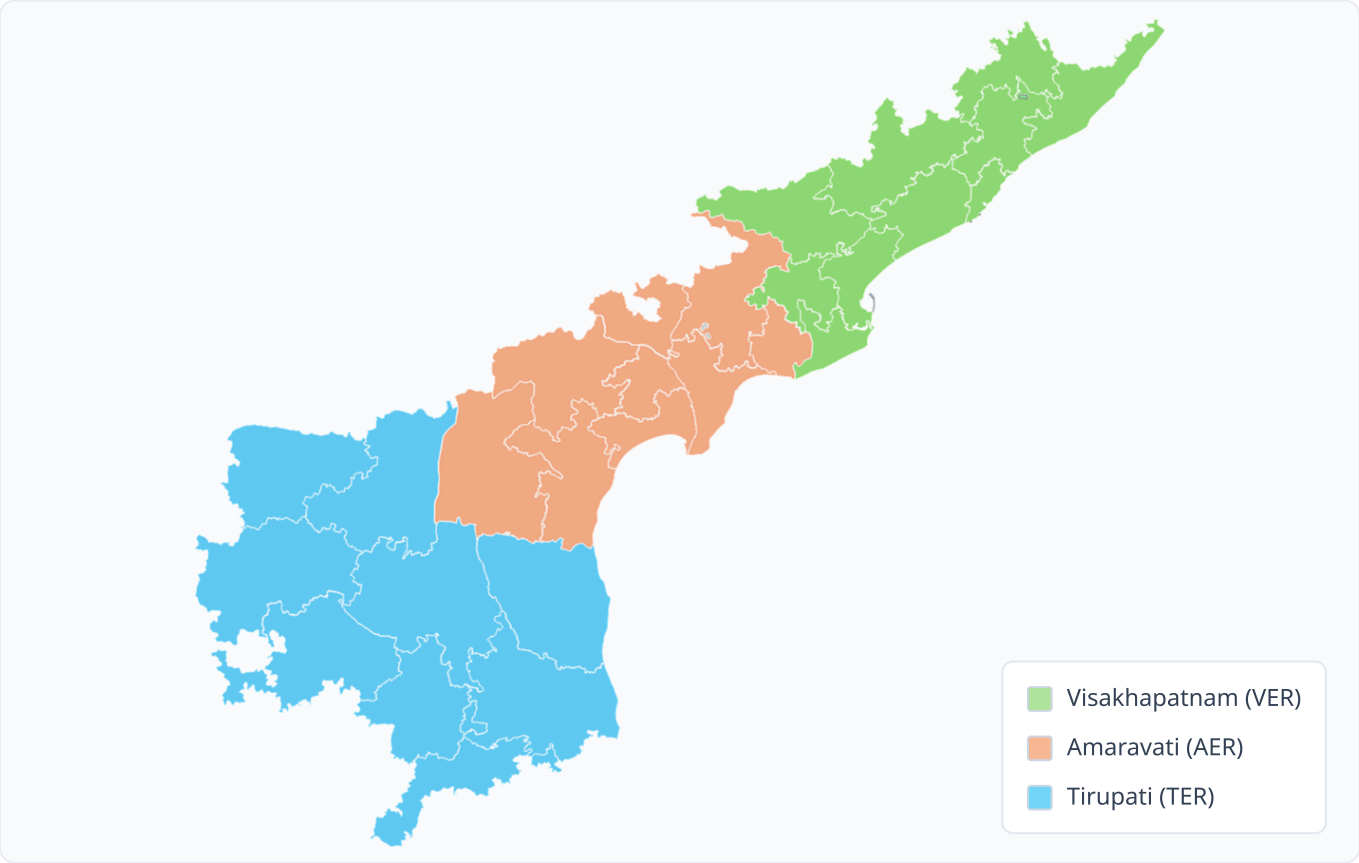
Area in lakh hectares. The two progress columns are shaded for quick reading; group totals in bold. Percentages as printed in the source, computed from unrounded hectares.

CROP	SEASON NORMAL	NORMAL AS ON DATE	LAST YEAR (AUG 26TH '25)	CURRENT (AUG 26TH '26)	% OF SEASON	% OF AS-ON-DATE
Paddy	15.14	7.75	7.93	7.074	47	91
Jowar	0.05	0.03	0.00	0.002	5	8
Bajra	0.24	0.16	0.16	0.145	59	88
Maize	1.57	1.35	1.16	0.827	53	61
Ragi	0.22	0.16	0.12	0.126	58	81
Minor Millets	0.13	0.10	0.04	0.035	27	36
Coarse Grains	**2.21**	**1.79**	**1.48**	**1.135**	51	63
Redgram	2.96	1.90	1.34	1.614	55	85
Greengram	0.06	0.05	0.04	0.048	81	100
Blackgram	0.34	0.19	0.12	0.208	60	110
Horsegram	0.07	0.00	0.01	0.001	2	87
Other Pulses	0.02	0.01	0.00	0.003	14	25
Total Pulses	**3.46**	**2.15**	**1.51**	**1.874**	54	87
Total Foodgrains	**20.80**	**11.70**	**10.92**	**10.084**	48	86
Groundnut	3.87	3.22	1.13	1.130	29	35
Sesamum	0.11	0.09	0.07	0.044	41	48
Castor	0.39	0.26	0.18	0.210	54	81
Sunflower	0.05	0.04	0.01	0.008	15	21
Soyabean	0.08	0.07	0.04	0.084	106	129
Other Oilseeds	0.00	0.00	0.00	0.000	11	6
Total Oilseeds	**4.50**	**3.68**	**1.43**	**1.475**	33	40
Cotton	5.15	3.08	3.29	3.468	67	113
Jute/Mesta	0.01	0.01	0.01	0.005	99	101
Sugarcane	0.31	0.23	0.11	0.122	40	53
Tobacco	0.07	0.04	0.01	0.000	0	1
Total Cropped Area	**30.84**	**18.73**	**15.76**	**15.155**	49	81

Cell shading — % of season: <20 red · ≥20 blue · ≥100 dark navy. % of as-on-date: <60 red · ≥60 blue · ≥100 dark navy. Red tints flag lagging progress; blue tints flag advanced progress.

Commissionerate of Agriculture, Andhra Pradesh, Guntur | Statistics Section | Data provisional

Economic Regions



Economic Regions	Area (sq. km)	Districts	Share in State GSDP	Current Status
VER	~38,000	10	~28%	Implementation of 49 Priority Projects Underway
AER	~44,962	9	~35%	Inception and Plan Formulation Underway
TER	~80,381	9	~34%	Regional Plan Preparation in Progress

Economic Regions

1. Visakhapatnam Economic Region (VER):

The Visakhapatnam Economic Region (VER), covering approximately **38,000** sq. km across ten coastal districts of Northern Andhra Pradesh, contributes nearly **28%** of the State's Gross State Domestic Product (GSDP) and has been envisioned as a key economic growth region with strengths in manufacturing, ports and logistics, clean energy, tourism, healthcare, artificial intelligence, and data centre infrastructure. The regional development strategy aims to enhance industrial competitiveness, strengthen trade connectivity, attract investments, generate employment, and support sustainable urban development across North Coastal Andhra Pradesh.

Economic Regions (contd.)

The Economic Master Plan for VER, prepared by the ISEG Foundation under NITI Aayog, has identified 49 priority projects across sectors such as ports, industries, tourism, information technology, urban development, transportation, energy, and industrial infrastructure. As of now, 21 projects have been grounded, 6 are in an advanced pre-implementation stage, and 22 are under planning and development.

Major projects currently under implementation include the Nakapalli Steel Plant, Mulapeta Port, Green Hydrogen Hub at Pudimadaka, Kakinada Green Ammonia Project, Bhogapuram International Airport, AI and Data Centre investments, and the Vizag Bay City initiative. These investments are expected to strengthen the region's industrial and logistics ecosystem while contributing to job creation and economic growth.

2. Tirupati Economic Region (TER):

The Tirupati Economic Region (TER), covering approximately **80,381** sq. km across nine districts of Southern Andhra Pradesh, contributes nearly **34%** of the State's Gross State Domestic Product (GSDP) and possesses significant strengths in manufacturing, agriculture, logistics, mining, renewable energy, tourism, services, and higher education. The region is being planned as an integrated economic geography to leverage these strengths and unlock new opportunities for investment and employment generation.

Preparation of the TER Development Plan is currently underway with support from the Knowledge Partner. Extensive regional diagnostics, data compilation, and stakeholder consultations have been undertaken across all nine districts c, covering economic activity, infrastructure, industrial development, logistics, social sectors, natural resources, and investment potential. The planning process has involved consultations with more than 450 stakeholders, including representatives from over 30 Government Departments, District Administrations, industry bodies, academic institutions, and community organizations across the region.

The exercise is presently focused on the preparation of district economic profiles, assessment of regional economic linkages, and identification of growth opportunities across key sectors. The next phase will involve formulation of the regional vision, identification of priority sectors, economic corridors, catalytic projects, and strategic infrastructure interventions to support long-term regional development.

3. Amaravati Economic Region (AER):

The Amaravati Economic Region (AER), covering approximately **44,962** sq. km across nine districts centred around the State Capital region, contributes nearly **35%** of Andhra Pradesh's Gross State Domestic Product (GSDP). The region possesses significant economic strengths in manufacturing, agriculture, logistics, ports, energy, tourism, services, and knowledge-based industries, providing a strong foundation for future economic growth.

The preparation of the AER Development Plan has commenced following the onboarding of the Knowledge Partner. As part of the initial planning process, a regional visioning workshop was conducted with participation from l District Collectors and senior district officials to identify district-level strengths, development priorities, infrastructure requirements, growth opportunities, and long-term aspirations.

Building on these initial consultations, the next phase of work will focus on comprehensive baseline assessments, field visits, stakeholder consultations, sectoral analyses, and identification of strategic investments and infrastructure priorities. The planning process will also leverage the region's substantial investment pipeline, comprising SIPB-approved projects and MoUs across sectors such as manufacturing, logistics, ports, tourism, infrastructure, petrochemicals, and renewable energy.



Planning Department

GOVERNMENT OF ANDHRA PRADESH