

## Andhra Pradesh poised for another IT leap

Andhra Pradesh, which is consistently registering an IT growth rate above the national average, is poised to take IT development to 'quite another level' and establish itself on the global business map.

The southern state, India's chosen IT hub and the preferred destination for multinational companies, has huge development potential with [Hyderabad](#) as an important IT hub followed by Visakhapatnam and emerging cities like Vijayawada and Tirupati.

Smaller cities like Warangal, Kakinada and Kadapa are also set for development, said a report by Jones Lang LaSalle Meghraj, a leading integrated global real estate services firm.

'The state's initiatives and strategies for infrastructure development, human resource development and policy framework to support and attract investments are expected to place it firmly on the global business map in the coming years,' said the report released at the Hyderabad IT Summit, which began here Thursday.

The report pointed out that the state has 40 special economic zones (SEZs) approved by the central government for the IT sector, which is highest in the country.

These SEZs will provide international IT environment and are expected to create direct employment for about 800,000 people in the next five years. The total land of 2,356 acres was allotted to these SEZs and the total built-up space is expected to be 97.25 million square feet.

The highest number of notified SEZs, a proactive state government, the new international airport, favourable IT policies and incentives, second-rank in the country in terms of total engineering graduates passing year-on-year, linguistic benefits and good educational and research institutions have been identified as the strengths of Hyderabad as an IT destination in India.

According to the report, the city has many opportunities including affordable land prices, growing migrant population leading to residential demand, potential for 20 to 30 malls against the six operational malls and active local developers.

Weak public transportation and less entertainment and recreation options have been identified as the weaknesses of Hyderabad.

The state, where IT industry evolved in late 1990s was rated as 'the high-tech capital of the subcontinent' by the National Geographic in its article entitled 'emerging global cities of the world'.

The first initiative promoted by the government was the development of Hitec City, which has become the prime IT hub of not only the state but also the whole country. Hitec City primarily consists of IT parks and campuses spread across 158 acres.

'This development has earned the city IT district the moniker 'Cyberabad'. Today, Hyderabad has several Fortune 500 companies,' said the report prepared by Abhishek Kiran Gupta, assistant vice president (research), Jones Lang LaSalle Meghraj.

The report also pointed out that this development spread beyond Hitec City to Gacchibowli and other parts of the city and other cities in the state.

During 2006-07, the state earned the fourth highest revenues in IT exports of about Rs.1.85 billion accounting for about 15 percent of the total IT/software exports of the country.

Software exports contribute to more than half or about 53 percent of the state's total exports, while the service sector already accounts for 43 percent of gross state domestic product (GSDP) and employs 20 percent of the total workforce in the state.

Andhra Pradesh has invested Rs.190 million towards the development of infrastructure to support the service industry, with 185 domestic firms and MNCs already operating in the state.

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