

Industrial Development of SPSR Nellore District of Andhra Pradesh: A Review

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ABSTRACT

The Government have been considering for some time past the proposal of the Director of Industries, for the establishment of a separate Corporation for the Development of Industrial Infrastructure for the speedy promotion and development of Industrial Growth in the District. to formulate, promote, finance, aid, assist, establish, manage develop infrastructure facilities, including factory sites, factory sheds, godowns, marketing facilities and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Andhra Pradesh. In this aspect SPS Nellore District of Andhra Pradesh is also identified as the one of the potential area for industrial development. Therefore, the central government and state government are initiating various projects and special economic zones to attract the entrepreneurs from all large, medium and small scale sectors. This paper is Study the Industrial Development of SPSR Nellore District, Andhra Pradesh.

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I. INTRODUCTION:

Nellore district is one of the nine coastal districts it's situated in the south eastern part of Andhra Pradesh. It is bounded on the north by Prakasam District on the East by Bay of Bengal on the South by Chittoor District and Chengalpattu District of Tamilnadu and on the West by Veligonda Hills which separated it from Kadapa District. The district is broadly two natural divisions from North to South. Southern Nellore is an industrial belt, with many large scale industries are there including public sectors undertaking & Multi National Companies. It has a charming mix of traditional & modern industries, ranging from small artisan workshops to huge multinational companies, Micro and Small Enterprises and large scale Industries.

The handloom sector of the district is also a major small scale industry of the district and it was a huge number of people living sources. A few of the essential industries of the region are Mica Mines and thermal power plant. The Krishnapatnam port which is located 20 kilometres from the district serves as a major centre for economic activity of the district. Industrial operations lead to large generation of hazardous waste. The major harmful waste generating industries in Nellore include textile, chemicals, pharmaceuticals, pesticides, paint and dye, fertilizers, Mica, Paper manufacturing, inorganic chemicals, power plants, and general engineering industries. Hazardous wastes from the industrial sectors mentioned above contain heavy metals, cyanides, pesticides, complex aromatic compounds (such as PCBs), and other chemicals which are toxic, flammable, reactive, corrosive or have explosive properties affecting the environment.

NEED FOR THE STUDY:

In the south-eastern manufacturing region comprising of Andhra Pradesh, Telangana and Tamil Nadu, the following sectors food products, motor vehicles, basic metals, textiles, coke and refined petroleum products are identified as the key sectors. Andhra Pradesh's strength lies in its fully diversified industrial base, with the thrust on hightech sectors including information technology, pharmaceuticals and biotechnology. Traditional sectors such as textiles, leather, minerals, and food processing are also being further developed for high value addition. The state also has a host of natural resources, which has aided it to become a strong industrial region.

The state government also introduced various policies for the growth of the manufacturing sector, including the MSME policy, Industrial Development Policy, Food Processing Policy, etc. The state has been attracting a large number of investors in new Industrial Development. we have shortlisted the following are key industrial sectors that emerge as top contributors for Krishnapatnam port, Textile and apparel, Automobile industry, Electronic manufacturing, Pharmaceuticals and Others: Building material and non-metallic products. The sub-sectors considered for evaluation within the industrial sectors above were identified based on proposed investments and the share of different sub sectors in existing industrial output of Krishnapatnam Port. Thus the

location of Krishnapatnam port area which is falling under VCIC and CBIC will emerge as an industrial hub for the proposed sectors. Availability of water and power aids the development of industries in the District.

INDUSTRIAL PROFILE:-

Sri Potti Sri Ramulu Nellore is the southern district of Andhra Pradesh. The district is under sub-agro climatic zone with an average rain fall of 700-1000mm. It is endowed with rich soil fitting for agriculture. The soil comprises of black soil 23%, red soil 43% and clay loamy 34% respectively. There are no permanent rivers in the district. The important rivers are Pennar, Kandaleru, Swarnamukhi. Regarding the location and geographical area, the district is located between 13.30- 15.6 Northern latitude and 70.5-80.16 eastern longitude. The geographical area is 1307600 Hectares. Nellore district is famous for good quality of Mica. The district is also rich in other minerals like quartz, silica, barites, vermiculate and laterite. The total forest area in the district is 2.62 lakh hectares. The forest area is concentrated in Venkatagiri, Udayagiri, and Podalakur mandals and is covered by bamboo, Cashew, Casuarinas, Eucalyptus and shrubs. There are five revenue divisions in the district. Kavali, Gudur, Nidupet, Nellore and Atmakur divisions and 46 mandals.

INDUSTRIAL OUTLOOK OF THE SPS NELLORE DISTRICT:-

The structural composition of industries in the district is seen that Food and Agro based industry, followed by Engineering based are the dominant groups of industries in the district, in terms of number of units, investment and employment, though the food products industry is more labour intensive of the two. Various products and services constitute 40.8% of the total number of units. Disaggregated data in this sub-head would have enabled us to analyze the contribution of small service establishments in the SSI sector.

1. Large Scale Industries: There are 110 large scale units in the state, of these nearly one thirds are engaged in the manufacture of processed/ preserved sea food like shrimps, prawns and fish. These are concentrated along the coastal in the district. The other major product groups are Dairy products, granite slabs and pharmaceuticals. Major exportable items are processed fish, prawns, lobsters and other sea food items, granite slabs and monuments, steel and the medium scale enterprises already in existence are engaged in the production and export of aqua products, granite slabs, engineering products and food (dairy) products etc

2. Potential Areas for Service Industry:-

South Nellore district is an industrial belt, with many large scale industries including Public Sector Undertakings, and Multi National Companies. There exists wide scope for service providing MSMEs to set up tool rooms, machine shops, testing centres, design centres, CAD/CAM centres, IT service providers, BPOs, etc in the industrial belt. Other services like DTP Centres, Marketing consultancy agencies, financial accounting services, Chartered Accountants, X ray clinics, Diagnostic services, DTP, Xerox, and other Hand holding services, etc have ample scope for development. Service enterprises -Nellore district has many industrial pockets which offer scope for development of industry related service enterprises. Service industry forms a sizeable portion of the MSME sector. Proximity of Nellore district. However, there is still immense scope for establishment of service enterprises.

3. Major existing Clusters in the district:-

Nellore district has a fascinating mix of traditional and modern industry, ranging from small artisan workshops to huge Multi National companies. Nellore district has many traditional handloom and handicraft clusters, some of which are dying clusters. The Leather puppets of Udayagiri, saw dust stuffed dolls and wooden chariots of Varigonda, Thunga mats, and wooden cutlery cluster of Udayagiri, palm leaf products(Garlands, hats, waste paper baskets, trays, artificial flowers, mats, etc) of Venkateswara nagar and fabric paintings of Thummur (Naidupet) are traditional handicraft clusters in the district. Nellore district is famed for its handlooms. Venkatagiri and Paturu saris are famed for their zari (brocade work), texture and colours. Around fifteen thousand families are engaged in these works in the areas of Venkatagiri, Kovur, Atmakur, Indukurpet, Podalakur, Sullurpet and Buchireddypalem. Weaver's societies are present in these areas. The handloom industry is facing problems of shortage of working capital, market, etc. Clusters in manufacturing cluster: Handloom, handicrafts, wooden cutlery, aerated water cluster, rice mill cluster etc.

REASON FOR INDUSTRIAL DEVELOPMENT IN NELLORE:

1. These are the factors influence in the industrial growth: There are many factors influence the industrial growth in a particular region on place. However, in the SPS Nellore district has very unique features of the environment which supports the industrial development. The following are the major factors of the growth of the industries in the region.

(A). Coastal Belt of South India: Nellore district has 347 Km of the costal belt which is more potential for the three sea ports. Krishnapatanam, Duggaraju patanam, and Ramaiah patanam is the well identified ports. This is well connected to the Bay of Bengal.

(B). Krishnapatanam Port: Which is the fastest growing port connected to the different countries to export and import of the different goods.

(C). Menakur SEZ: A state of art of the special economic zone which was established in the year 2000. This is very helpful to the new entrepreneurs to establish their enterprises.

(D). Sri City: One of the biggest multinational industries Special Economic Zone. There are 80 different MNCs companies are doing their operations and providing good number of job opportunities to the youth of both Nellore and Chittoor district.

(E). Costal Corridor: It is state government proposal from AP south to AP north cost corridor for the industries and especially agro-based industries.

(F). Chennai-Nellore-Bangalore Corridor: It is central government proposal plan connecting the three states industrial corridor. The huge amount is going to spend for this corridor to encourage and develop the industries. This mega project may help a lot to the both existing and new industries in this region. In the year 2004, there were 38 Large and Medium scale industries in Nellore district, with an investment of 840 crores and providing employment to 7857 persons. The large scale sector grew at an annual rate of 16.4%.

(G). Tenderization/Ancillarization: There are many MNCs and large scale industries in the district offering immense scope for development of vendors, in the supply of components, sub- components and services.

2. Investment Growth:

1. Mega Projects:- There are 10 Mega Industries working in the district with an investment of Rs. 37,305.65 Cr. providing employment to 26,241 persons. Distinguished activities are Thermal Power Generation, Industrial Port, Mfg. of Steel, Glass, Automobile Parts, Footwear, Edible Oil, Aluminum Products etc. Industries under implementation 8 Mega Projects are under active implementation in the district with a proposed investment of Rs. 8,188.00 Cr. and a proposed employment of 16,876 persons.

2. Large Industries:- There are 61 Large Industries working in the district with an investment of Rs.4,351.78 Cr. providing employment to 16,908 persons. Prominent activities are Mfg. of Vegetable Oils, Shrimp feed, Processed Shrimp / Prawn / Fish, Metal Products, Bulk Drugs, Pharmaceuticals, Solar and Wind Power etc. Industries under implementation 20 Large Industries are under active implementation in the district with a proposed investment of Rs. 3,645 Cr. and a proposed employment of 13,185 persons.

3. Micro, Small & Medium Enterprises:- There are 5,117 Micro, Small & Medium enterprises registered in the district with an investment of Rs. 1,521.81 Cr. providing employment to 33,416 persons. Industries under implementation 277 MSME units are under active implementation in the district with a proposed investment of Rs. 675.24 Cr. and a proposed employment of 6,282 persons.

3. Policy issues for Industrial Development:

1. Single Desk Policy:- Under the Single Desk Policy, 2,539 applications have been approved in the district from 2015 out of which 97.95 % of the applications approved within the stipulated time period. During the year 2018-19, 675 applications have been approved, out of which 99.70 % applications are approved within the stipulated time period. During the current year 2019-20, 142 applications have been approved all within the stipulated time period.

2. Industrial Incentives:- During the last five years, an amount of Rs. 94.88 Cr. has been sanctioned as fiscal incentives in respect of 1,711 claims. (June, 2014 – July, 2019). During the year 2018-19, an amount of Rs. 46.81 Cr. has been sanctioned as fiscal incentives in respect of 952 claims. During the current year 2019-20, an amount of Rs. 2.29 Cr. has been sanctioned as fiscal incentives in respect of 58 claims.

3. Prime Minister's Employment Generation Programme:-During the last five years, 166 units pertaining to DIC were grounded with a project cost of Rs. 15.72 Cr. with a subsidy component of Rs. 4.01 Cr.

4. Industries Department Policy:-Under Single Desk Portal, 142 approvals were given to various industries in the year 2019-20, from June, 2019 to till date. The investment of these industries will be Rs.8.20 Crores and the units will provide employment to 3125. Under IDP 2015-20 scheme in the year 2019-20, from June, 2019 to till date, an amount of Rs.2.29 Crores was sanctioned to 58 units in which 4 claims of Rs.7.83 Lakhs pertains to SC community and 2 claims of Rs.97970/- pertains to ST community.

II. FINDINGS:

1. Lack of working capital is a common problem among existing industries in the district. Short supply of power is another problem that is hitting the industry, especially the industrial sector hard. Products of MSMEs face stiff competition from the more industrially developed neighboring state of Tamil Nadu.

2. There are 110 large scale units in the state. Of these nearly one thirds (35Nos) are engaged in the manufacture of processed/ preserved sea food like shrimps, prawns and fish. These are concentrated along the coast in the district. The other major product groups are Dairy products, granite slabs, pharmaceuticals etc.

3. Small-scale industries can mobilize a good amount of savings and entrepreneurial skill from rural and semi-urban areas remain untouched from the clutches of large industries and put them into productive use by investing in small-scale units. The small enterprises are also contributing in the development of the economy.

4. Small entrepreneurs stimulate a redistribution of wealth, income and political power within societies in ways that are economically positive and without being politically disruptive. Thus small-scale industries ensure equitable distribution of income and wealth in the Indian society which is largely characterized by more concentration of income and wealth in the organized section keeping unorganized sector undeveloped. This is mainly due to the fact that small industries are widespread as compared to large industries and are having large employment potential.

5. There has been massive concentration of industries in a few large cities of different states of Indian union. People migrate from rural and semi urban areas to these highly developed centres in search of employment and sometimes to earn a better living which ultimately leads to many evil consequences of over-crowding, pollution, creation of slums etc. This problem of Indian economy is better solved by small- scale industries which utilize local resources and bring about dispersion of industries in the various parts of the country thus promoting balanced regional development.

6. Small-scale industries have tremendous capacity to generate or absorb innovations. They provide ample opportunities for the development of technology and technology in return, creates an environment conducive to the development of small units. The entrepreneurs of small units play a strategic role in commercializing new inventions and products. It also facilitates the transfer of technology from one to the other.

III. SUGGESTIONS:

1. Small-scale industries make better use of indigenous organizational and management capabilities by drawing on a pool of entrepreneurial talent that is limited in the early stages of economic development. They provide productive outlets for the enterprising. They also provide a seed bed for entrepreneurial talent and a testing ground for new ventures.

2. Small Scale Industries have been registered a phenomenal growth in exports over the years. The value of exports of products of small-scale industries has increased from 393 crore in 1973-74 to 71, 244 crore in 2002-03. This contributes about 35% of India's total export. Thus they help in increasing the country's foreign exchange reserves thereby reducing the pressure on country's balance of payment. Of course, increase in number of units, production, employment and exports of small- scale industries over the years are considered to be essential for the economic growth and development of the country. It is encouraging to mention that the small-scale enterprises account for 35% of the gross value of the output in the manufacturing sector, about 80% of the total industrial employment and about 40% of total export of the country.

IV. CONCLUSION:

SPS Nellore district is the most vulnerable place to the new enterprises and development of the industries in future. Due to all the major projects and government initiations will leads to progression in the industrial growth and development in this region. The Government have been considering for some time past the proposal of the Director of Industries, for the establishment of a separate Corporation for the Development of Industrial Infrastructure for the speedy promotion and development of Industrial Growth in the District. to formulate, promote, finance, aid, assist, establish, manage develop infrastructure facilities, including factory sites, factory sheds, godowns, marketing facilities and assist the rapid and orderly establishment, growth and development of industries and commerce in the State of Andhra Pradesh. In this aspect SPS Nellore District of Andhra Pradesh is also identified as the one of the potential area for industrial development.

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