



Dear Member,

As a whole, 2007 has been a good year for the country as well as the State. On national front India has its first woman head of the State in Smt. Pratibha Devisingh Patel as President.

Mahatma Gandhi's 138th birth anniversary was celebrated as the first International Day of Non-Violence to spread his ideals and legacy of peace, promotion of peace and advancement of human dignity across the globe.

The country has witnessed substantial economic growth. It has become one of the fastest growing economies in the world growing at 9 percent annually and is expected to account for more than 12 percent of world's economic growth in the next 15 years. The country is now the world's 4th largest economy in terms of parity in purchasing power. It has also emerged as second most attractive investment hotspot, behind China, but ahead of the United States of America, the Russian Federation and Brazil with foreign direct investment (FDI) flows amounting to US\$ 17 billion. In terms of FDI outflows too India has emerged as a major player reflecting the growing economic potential of its private sector. India is beginning to challenge the dominance of the Asian newly industrialized economies (NIES) – Hongkong(China), Korea, Singapore and Taiwan. The foreign exchange reserves increased by US\$ 62 billion to stand at US\$ 261 billion by October, 2007. The year-on-year wholesale price index inflation eased from its peak of 6.4 percent in April, 2006 to 3.1 percent by October, 2007.

This vibrancy is also visible in the state. Andhra Pradesh has now become the hot destination for the investors. A good number of foreign investors are preferring Andhra Pradesh to other States and Union Territories Administrations for establishing their projects. Reserve Bank of India in its latest study of August, 2007 indicated Andhra Pradesh at 2nd rank among the States in the country after Gujarat with a total investment of rs.25,173 crore, surpassing Maharashtra and Tamil Nadu. With 105 projects during the year, investment in the State has doubled compared to the previous year 2005-06. This was possible due to the pro-active support extended to the industries. A study of Confederation of Indian Industry (CII) of March, 2007 revealed that Andhra Pradesh has the best performance in the manufacturing sector with a growth rate of 10-15 percent among the Southern States. International Finance Corporation – Private sector arm of the World Bank in its report 'Doing Business in South Africa 2007' has ranked Hyderabad as the country's best city on the ease of doing business in India.

I thank you for your co-operation.



Atluri Subba Rao