Overview of Telangana's Economy 2
Agriculture in Telangana 5
Irrigation Projects in Telangana 7
Industries in Telangana 10
Information Technology Sector in Telangana 12
Pharmaceutical Industry in Telangana 15
Mining and Mineral Resources in Telangana 17
Service Sector in Telangana 19
Tourism and Heritage Economy 21
Startups and Innovation Ecosystem 25
Handlooms and Textiles Industry 27
Energy Sector in Telangana 31
Transportation and Infrastructure Development 32
Telangana's Urban Economy 36
Rural Economy and Development Programs 38
Government Schemes for Economic Growth 42
Investment Policies and Industrial Incentives 44
Role of Telangana State Industrial Infrastructure Corporation (TSIIC) 48
Agricultural Marketing and Food Processing 50
Livestock and Dairy Development 54
Financial Services in Telangana 56
Role of Hyderabad in Telangana's Economy 60
Exports and Global Trade Contribution 61
Real Estate and Urban Development 65
Micro, Small, and Medium Enterprises (MSMEs) 66
Impact of COVID-19 on Telangana’s Economy 71
Skill Development and Employment Opportunities 72
Women Entrepreneurship in Telangana 76
E-Governance and Digital Economy Initiatives 78
Public-Private Partnerships (PPPs) in Economic Development 82
Fiscal Policies and Revenue Generation 84
Agricultural Land Use and Cropping Patterns 85
Telangana’s Special Economic Zones (SEZs) 89
Challenges to Economic Growth in Telangana 91
Regional Disparities in Economic Development 96

Social Infrastructure and Economic Linkages 97
Role of Non-Governmental Organizations (NGOs) in Economic Development 100
Impact of Mission Kakatiya on Economy 102
Future Prospects and Vision for Telangana's Economy 105

Overview of Telangana's Economy

Overview of Telangana's Economy

Telangana, India's youngest state, was formed on June 2, 2014, with Hyderabad as its capital. The state has emerged as a dynamic economic entity in the country, leveraging its natural resources, IT prowess, and progressive policies. This article provides a detailed and in-depth analysis of Telangana's economy, highlighting its key sectors, growth trajectory, challenges, and opportunities.

---

1. Geographical and Demographic Context

- **Geographical Advantage**: Telangana is strategically located in south-central India, serving as a link between northern and southern India.
- **Population**: As per the 2011 Census, Telangana had a population of approximately 35 million, with a mix of urban and rural populations.
- **Urbanization**: Hyderabad, the state's economic hub, significantly contributes to the high urbanization rate.

---

2. Economic Growth Trajectory

- **GSDP Growth**: Telangana has consistently recorded one of the highest Gross State Domestic Product (GSDP) growth rates in India, averaging 10-12% annually since its formation.
- **Per Capita Income**: The state's per capita income is above the national average, reflecting robust economic performance and rising standards of living.

---

3. Sectoral Composition

a) Agriculture and Allied Activities

- **Share in GSDP**: Around 15-20%.
- **Major Crops**: Rice, maize, cotton, and chillies dominate the agricultural landscape.
- **Irrigation Initiatives**:
    - **Kaleshwaram Lift Irrigation Project**: One of the world's largest multi-stage lift irrigation schemes, transforming Telangana's agriculture.

- **Mission Kakatiya**: Revival of tanks and water bodies for sustainable irrigation.

b) Industry

- **Share in GSDP**: Approximately 20-25%.
- **Major Industries**:
  - **Pharmaceuticals**: Hyderabad, the "Pharma Capital of India," hosts companies like Dr. Reddy's Laboratories and Aurobindo Pharma.
  - **Textiles**: The Warangal Textile Park aims to make Telangana a textile hub.
  - **Automobile and Electronics**: Presence of major manufacturing units and SEZs.

c) Services

- **Share in GSDP**: Over 60%.
- **IT Sector**:
  - Hyderabad is home to HITEC City and IT parks, with companies like Microsoft, Google, and TCS having significant operations.
  - Telangana's **IT exports** have grown consistently, crossing ₹1.83 lakh crore in FY 2022-23.
- **Tourism**: Rich cultural heritage and destinations like Charminar, Golconda Fort, and Ramoji Film City attract global tourists.

---

4. Key Initiatives Driving Growth

a) Industrial Policy

- **TS-iPASS (Telangana State Industrial Project Approval and Self-Certification System)**:
  - Single-window clearance system to attract investments.
  - Recognized for its efficiency and transparency.

b) Mission Bhagiratha

- Aimed at providing safe drinking water to every household in Telangana, improving health and productivity.

c) Digital Telangana

- Focus on improving digital infrastructure, internet penetration, and e-governance.

d) Ease of Doing Business

- Telangana consistently ranks high in ease of doing business due to reforms in taxation, labor laws, and infrastructure.

5. Infrastructure Development

a) Roads and Transportation

- A well-connected road network linking rural areas to urban centers.
- Expansion of metro services in Hyderabad to ease urban congestion.

b) Energy

- Telangana is nearly power surplus, with a mix of thermal, solar, and hydroelectric power projects.

c) Irrigation

- Enhanced irrigation coverage through projects like **Palamuru-Rangareddy Lift Irrigation Scheme**.

d) Urban Development

- Hyderabad's growth as a smart city includes robust public services, IT hubs, and real estate development.

6. Natural Resources and Mining

- Telangana is rich in minerals like coal, granite, and limestone.
- Singareni Collieries Company Limited (SCCL) plays a vital role in coal mining and power generation.

7. Challenges

a) Regional Disparities

- Urban-centric growth, with Hyderabad dominating the economic landscape, leaves rural areas lagging.

b) Water Scarcity

- Despite irrigation projects, some regions face water shortages.

c) Agrarian Distress

- Dependence on monsoons and fluctuating crop prices impact rural incomes.

8. Opportunities

a) Diversification in Agriculture

- Promoting horticulture, aquaculture, and allied activities to increase farmers' incomes.

b) Emerging Sectors

- Renewable energy, biotechnology, and fintech offer significant potential for growth.

c) Strengthening MSMEs

- Focused policies can empower Micro, Small, and Medium Enterprises (MSMEs), contributing to employment and exports.

d) Export Potential

- Leveraging Hyderabad’s connectivity and industrial base for increasing exports.

9. Statistical Highlights

Indicator	Value (2022-23)
GSDP	₹13.27 lakh crore
Per Capita Income	₹3.08 lakh
IT Exports	₹1.83 lakh crore
Share in National GDP	5-6%
Agriculture Growth Rate	7.5%
Industrial Growth Rate	9.2%
Services Growth Rate	12.4%

Agriculture in Telangana

Agriculture is the backbone of Telangana's economy, providing livelihoods for a significant portion of the population and contributing substantially to the state's Gross Domestic Product (GDP). The sector is characterized by a diverse range of crops, varying climatic conditions, and ongoing efforts to improve productivity and farmer welfare.

Historical Context

Historically, agriculture in Telangana has been rain-fed and subsistence-oriented. The region's semi-arid climate and limited irrigation infrastructure posed challenges to