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During the past decade, the states of Andhra Pradesh (AP) and Telangana have become two of India's most attractive real estate and investment destinations. This has caught the attention of companies worldwide, particularly those in Japan.

Driven by strong ties, rapid urbanisation, investor-friendly governance and dynamic economic growth, both states chart distinct but complementary paths towards growth. Telangana positions itself as a hub for innovation, technology and life sciences; AP leans towards large-scale manufacturing, industrial development and port-led infrastructure. Together, they represent the country's most promising international investment corridor.

Telangana and AP fast-track investment

Telangana's appeal is speedy dispute resolution through its International Arbitration and Mediation Centre, investor-friendly policies, special economic zones (SEZs), and efficient land information mechanisms such as the Bhu Bharati portal and the Telangana-Integrated Government Registration System (IGRS). The TS-iPASS single-window clearance offers a streamlined, transparent and time-

bound approval process. Telangana's Meet or Beat policy aims to match or surpass offers from other states or countries.

AP has optimised its investment systems through Industrial Development Policy 4.0. It aims to attract investment of USD338.5 billion between 2024 and 2029. The AP Single Window Clearance Act and digital land management systems, such as the Mee-Bhoomi portal and AP-IGRS, have digitised millions of land records, enhancing transparency, reducing disputes and increasing efficacy. The AP Industrial Infrastructure Corporation's programme of allotting land to global IT giants and providing plug-and-play infrastructure has led to the construction of many large enterprise parks. These enable investors to operate immediately.

Japan-powered growth reshapes southern India

The rise in India-Japan trade has fuelled transformative growth in both states. The Future City project, backed by the Marubeni Corporation's USD113 million investment, is creating a 243-hectare industrial ecosystem in Hyderabad. Sri City in AP hosts more than 30 Japanese companies, helping it develop and compete globally as a dynamic hub for technology and manufacturing.

Telangana has attracted investment of USD33.85 billion since 2024, significantly from foreign direct investment and state-led initiatives and pledges worth USD29 billion were signed during the recently concluded Telangana Rising Global Summit. Japanese funds accounted for about 14% of all foreign inflows. The state's economic engine, Hyderabad, is at the fore of robust demand for commercial, residential, and mixed developments. The city's real estate market has seen impressive numbers, with an acre of land in the Raidurg neighbourhood selling for USD20 million.

Such growth stems from a number of factors. Regional and outer ring roads have been constructed. The global company Eli Lilly has invested USD1 billion to boost its global pharma supply chain and is setting up a global capability centre. Amazon is building its largest office campus outside the US; NTT Data is investing USD1.2 billion in an AI data centre cluster, and Microsoft is rolling out data centres across Hyderabad.

AP emerges as high-tech logistics powerhouse

AP's port facilities, SEZs and investor friendly policies have boosted it as an industrial and logistics hub. Since 2024, the state has attracted investments of more than USD50.4 billion in key areas such



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as Sri City. Amaravati will be India's first quantum computing valley, backed by companies such as IBM, L&T and TCS. Other regions, including Visakhapatnam, are attracting interest from the IT, logistics and manufacturing sectors.

The state's competitive incentives, development of Tier 2 and 3 cities and the introduction of a Speed of Doing Business Scheme have helped Visakhapatnam SEZs and other regions achieve an 18% annual rise in exports. Other factors, including developments at the port of Krishnapatnam and the Bhogapuram International Airport, strengthen the state's position as an investment magnet.



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Japan-backed growth strengthens investor confidence

With both states growing and Japan as one of the investors, their practical advantage is in safely guiding enterprises through the maze of checks, regulations and approvals needed to begin operations. Domestic and overseas investors gain confidence, ready to take advantage of future opportunities.

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