

CHAPTER-I

INTRODUCTION

1.1 Demographic Profile

The Territory of Puducherry was merged with the Indian Union with effect from 01.11.1954 in accordance with the de-facto agreement between the Government of India and the Government of France, which was signed on 21.10.1954. De-jure transfer of Puducherry took place on 16th August 1962. Thereafter, the Union Territory of Puducherry is administered under the provisions of Government of Union Territories Act, 1963. The Union Territory of Puducherry consists of four regions namely Pondicherry, Karaikal, Mahe and Yanam lying geographically separated from one another. Pondicherry region which is on the east coast, about 162 kms. south of Chennai is the largest of these and consists of 12 scattered areas interspersed with enclaves of Villupuram and Cuddalore Districts of Tamil Nadu. Karaikal region is about 160 kms. south of Pondicherry and it is surrounded by Nagapattinam District of Tamil Nadu. Yanam region is located about 840 kms. northeast of Pondicherry near Kakinada in Andhra Pradesh. Mahe region lies almost parallel to Pondicherry 653 kms. away on the west coast near Tellicherry in Kerala.

The Union Territory of Puducherry is 480 Sq. kms. in area and has a population of 9,74,345 according to the 2001 census. The region-wise break-up is as follows:

Table-1.1

Region	Area (Sq. Kms.)	Population	Male	Female	Literacy Rate
Pondicherry	290	7,35,332	3,69,428	3,65,904	80.70
Karaikal	161	1,70,791	84,487	86,304	81.90
Mahe	9	36,828	17,146	19,675	95.70
Yanam	20	31,394	15,893	15,501	73.70
Total	480	9,74,345	4,86,961	4,87,384	81.20

As against the national pattern, the percentage of population in urban areas is much higher than the population in rural areas. The entire Mahe and Yanam regions have been classified as urban. 66% of the territory is classified as urban as against the All India level of 25.7%. The male population is placed at 4,86,961 as compared to 4,87,384 female population, registering a sex ratio of 1,001 females for every 1000 males. According to sample Registration System, the birth rate as on 2001 in the Union Territory of Puducherry works out to 17.9 while the death rate is 7.0%. The infant mortality rate is 22 per 1000 live births. The scheduled Castes population is 1,57,771 and accounts for 16.19% of the total population. There are no Scheduled Tribes in the UT of Puducherry according to 2001 Census Report.

1.2 Temperature and Rainfall

The mean maximum temperature is 38.2°C and Mean Minimum Temperature is 24°C. Major source of rainfall is from North-East monsoon. The average rainfall details of the Union Territory of Puducherry are tabled here under.

Table – 1.2

Region	Actual Rainfall in mm (June-May)					
	Normal	2002-03	2003-04	2004-05	2005-06	2006-07
Puducherry	1338.2	885	1282	1175	1552.1	1011.0
Karaikal	1386.8	1012	1434	1889	1823.3	1048.6
Mahe	3387.1	2805	3307	2233	3421.0	3292.8
Yanam	1238.8	847	1037	748	1381.8	1434.2

1.3 Rivers, minerals reports and rail connectivity

Gingee and Pennaiyar are the major rivers in the Pondicherry region. While Gingee river traverses diagonally from North-West to South-East, Pennaiyar river forms the southern border of the Pondicherry region. A branch of Pennaiyar river called

Malattar flows through the Pondicherry region. Cauvery river and its seven tributaries serve Karaikal region. While Godavari is the only major river in the Yanam region, the rivers Mahe and Moolakadavu serve Mahe region. Red loam, Coastal deltaic alluvium, Red laterite etc. are the major types of soil of the four regions of UT of Puducherry. According to the Geological Survey of India, the mineral deposits in the Union Territory of Puducherry include Lime Stone, Clay, Lignite and Phosphatic rocks, Brick clay, Canker, Garnet Sands, sea shells, laterite and beach sands etc. Yanam Region does not have any mineral resources of economic value. Pondicherry is connected with Chennai by Broad Gauge railway line via Villupuram. Karaikal has no railway facility and the nearest railway station is Nagoor which is located at about 12 kms. from Karaikal. Mahe is on the Broad Gauge line between Kozhikodu and Thalassery. Yanam has no railway facility and the nearest railway station is Kakinada, which is located at about 26 Kms from Yanam.

1.4 Development Administration

The Union Territory constitutes two districts namely, Pondicherry and Karaikal consisting of 264 census villages, 129 revenue villages 6 taluks (4 in Pondicherry, 2 in Karaikal) and 2 sub-taluks (Mahe & Yanam). For the purpose of Development administration the Territory is divided into six blocks namely (i) Ariankuppam block (ii) Oulgaret block (iii) Villianur block (iv) Karaikal block (v) Mahe block and (vi) Yanam block consisting of 47 circles of village level units. Pondicherry Panchayats Act of 1973 & Municipalities Act of 1973 came into force in 1974.

There are 5 municipalities, namely Pondicherry, Oulgaret, Karaikal, Mahe and Yanam. There are 10 Commune Panchayats, namely, (i) Villianur (ii) Mannadipet (iii) Ariyankuppam (iv) Bahour (v) Nettarekkam (vi) Thirunallar (vii) Neravy (viii) Nedungadu (ix) Kottoucherry and (x) T.R. Pattinam. Election to Panchayatraj Institutions was held on 24th June 2006, 27th June 2006 and 1st July 2006.

1.5 Socio-Economic Indicators

Table – 1.3

Sl. No.	Item	Unit	Puducherry
1	Area	Sq. km	479
2	Districts	Nos.	2
3	Population (2001)	Million	9.74
4	Decadal growth (1991-2000)	Percentage	20.62
5	Birth rate (2001)	Per thousand	17.9
6	Death rate (2001)	Per thousand	7.0
7	Infant Mortality Rate (2005)	Per thousand	28
8	Sex ratio (2001)	Per 1000 males	1001
9	Population density	Per sq. km	2034
10	Per capita income at 2006-07 current prices	Rupees	Rs.58,230
11	Population below poverty (2004-05 PC Estimate)	Percentage	21.7
12	Literacy rate (2001)		81.24
13	Per capita consumption of electricity (2006-07)	Units	1917.22
14	HDI (2001)		0.571

1.6 GSDP and Per-capita Income

A review of the performance of the economy of the UT of Puducherry during the Tenth Plan period based on the estimates of GSDP with new base year (1999-2000) which

the Central Statistical Organisation has shifted recently from 1993-94 to 1999-2000 is as follows:

Table - 1.4

Gross State Domestic Product at Current Prices

Sl. No.	Year	Current Prices	
		GSDP (Rs. in Crores)	% change over previous year
1.	2002-03	4930.87	--
2.	2003-04	5439.27	10.31
3.	2004-05	5192.03	- 4.55
4.	2005-06 (P)	5700.48	9.79
5.	2006-07 (QE)	6299.27	10.50

It can be seen from the above table that the estimates of Gross State Domestic Product at current prices for the year 2006-07 is Rs.6299.27 crores as against Rs.5700.48 crores in 2005-06 showing a growth of 10.50% over the growth rate of 9.79% during the previous year.

Table - 1.5

Per Capita Income

Sl. No.	Year	Per Capita At Current Prices (In Rs.)
1.	2002-03	44903.00
2.	2003-04	48547.00
3.	2004-05	44908.00
4.	2005-06 (P)	48477.00
5.	2006-07 (QE)	52669.00

The per capita income stands at Rs.52,669/- at current prices as against Rs.48,477/- during the previous year 2005-06.

Sectoral Contribution of GSDP during the Tenth Plan

Table - 1.6

(Rs. in crores)

Sector	2002-03	2003-04	2004-05	2005-06	2006-07
PRIMARY	241.98	260.65	256.58	290.55	308.60
<i>Percentage</i>	4.91	4.79	4.94	5.10	4.90
SECONDARY	2545.28	2845.00	2431.62	2663.88	2994.89
<i>Percentage</i>	51.62	52.30	46.83	46.73	47.54
TERTIARY	2143.61	2333.62	2503.84	2746.05	2995.79
<i>Percentage</i>	43.47	42.91	48.23	48.17	47.56
GSDP	4930.87	5439.27	5192.03	5700.48	6299.27
<i>Percentage</i>	100.00	100.00	100.00	100.00	100.00

The sectoral composition of GSDP at current prices indicates that the percentage share of Primary, Secondary and Tertiary sector for the year 2006-07 (QE) is 4.90%, 47.54% and 47.56% respectively. The sectoral contribution of GSDP during the Tenth Plan period reveals that the economy of Union Territory has shifted from Agricultural activities to Non-Agricultural activities. The growth of secondary and Tertiary sector shows a boon indicating that the growth of the U.T. economy is driven by the growth of manufacturing and service sectors. This growth can be attributed to the accelerated growth in the sub-sectors like Construction (20.16%) in the Secondary sector and other services especially Tourism (11.52%), Real Estate Ownership of dwelling and Business Services (11.36%) in Banking and Insurance (9.78%) and Trade, Hotel and Restaurants (9.12%).

1.7 Poverty and Unemployment

Poverty and unemployment are two major issues that need to be given focused attention in our plan schemes. Development of infrastructure facilities would lead to sectoral growth, increase in per capita income and creation of more employment opportunities both under organized as well unorganized sectors. Special attention are given towards effective implementation of centrally funded rural poverty alleviation programme and urban poverty alleviation programme. Funds available through Lead Bank scheme are also being utilized towards implementation of economic development schemes dovetailed with state subsidy for various disadvantaged groups like women, SCs, backward classes and disabled and promotion of self employment schemes for educated unemployed youths. Implementation of many welfare schemes would also indirectly contribute towards lifting many poor families above the poverty line.

1.8 Outlay and Expenditure under Plan since Inception

During the First Plan and Second Plan the Territory was under the transitional stage politically. However the Territory was covered by development Planning in the penultimate year of the First Five Year Plan. The development expenditure incurred since 1954-55 under plan is given below :-

Table -1.7

(Rs. lakh)

Plan	Period	Outlay	Expenditure to Outlay	% of Expenditure
First Plan	1951-1956	73.96	50.30	68.01
Second Plan	1956-1961	476.50	339.27	71.20
Third Plan	1961-1966	692.73	603.27	87.09
Annual Plans	1966-1969	671.73	525.57	78.24
Fourth Plan	1969-1974	1454.00	1436.04	98.76
Fifth Plan	1974-1978	2536.09	2465.69	97.22
Annual Plan	1978-1979	1050.00	990.42	94.33
Annual Plan	1979-1980	1141.24	1085.45	95.95
Sixth Plan	1980-1985	10078.41	9896.77	98.20
Seventh Plan	1985-1990	23385.00	23255.82	99.45

Plan	Period	Outlay	Expenditure to Outlay	% of Expenditure
Annual Plan	1990-1991	6585.00	6567.70	99.74
Annual Plan	1991-1992	8228.00	8179.00	99.41
Eighth Plan	1992-1997	70918.00	69871.23	98.52
Ninth Plan	1997-2002	145612.00	144804.90	99.45
Tenth Plan	2002-2007	346413.00	344630.82	99.49
Annual Plan	2002-2003	41205.00	41155.13	99.88
Annual Plan	2003-2004	46863.00	46817.00	99.90
Annual Plan	2004-2005	61500.00	61328.54	99.72
Annual Plan	2005-2006	92500.00 @	91602.23	99.03
Annual Plan	2006-2007	104345.00 \$	103652.00	99.34
Eleventh Plan	2007-2012	1078700.00		
Annual Pan (BE)	2007-2008	145500.00 #		

Includes Rs.130 crore for Tsunami Rehabilitation Programme under State Plan and Rs.110 crore for Tsunami Reconstruction Programme under World Bank Assistance (EAP) and Rs.247 crore by way of loan assistance from HUDCO.

@ Includes Rs.100 crore for Tsunami Reconstruction under State Plan and Rs.75 crore for Tsunami Reconstruction Programme under World Bank Assistance (EAP).

\$ Includes Rs.170 crore for Tsunami Reconstruction Programme Rehabilitation Programme under Plan.

1.9 Budget

The budget of the Union Territory includes allocation under Plan, Non-Plan and Centrally Sponsored Schemes(CSS). The details are given below:

Table -1.8

(Rs. in Crore)

Year	Plan	Non-Plan	CSS	Total
2002-03(RE)	412.05	957.61	15.34	1385.00
2003-04(RE)	468.63	1047.25	14.55	1530.43
2004-05(RE)	615.00	1263.83	18.02	1896.85
2005-06(RE)	925.00	1261.09	23.08	2209.17
2006-07(RE)	1043.45	1343.45	32.92	2420.30
2007-08 (BE)	1455.00	1389.88	13.80	2858.68

U.T.'s Revenue Receipts

The year-wise of Tax and Non-Tax revenue are given below:-

Table -1.9

(Rs. in Crore)

	Tax Revenue	Non-Tax Revenue	<i>Total</i>
2002-03(Actuals)	276.38	411.90	688.28
2003-04 (Actuals)	352.77	454.34	807.11
2004-05 (Actuals)	404.59	500.72	905.31
2005-06 (Actuals)	479.40	510.99	990.39
2006-07 (Actuals)	570.62	550.08	1120.70
2007-08 (BE)	586.00	559.00	1145.00

The year-wise details of Grant and Loan from Government of India under Plan and Non-Plan are given below:-

Table -1.10

(Rs. in crore)

Year	Plan			Non-Plan		
	Grant	Loan	Total	Grant	Loan	Total
2002-03	136.02	65.30	201.32	347.86	60.61	408.47
2003-04	124.00	62.00	186.00	361.00	68.00	429.00
2004-05	124.00	62.00	186.00	361.00	68.00	429.00
2005-06	265.50 @	*	265.50	359.16	72.00	431.16
2006-07	246.85 \$	*	246.85	367.00	72.00	439.00
2007-08 (BE)	284.00 #	*	284.00	367.00	72.00	439.00

@ Includes Rs.100 crore for Tsunami Reconstruction Programme.

\$ Includes Rs.170 crore for Tsunami Reconstruction Programme.

Includes Rs.130 crore for Tsunami Reconstruction Programme.

* States / UTs have been advised to raise Plan loan through market borrowings.