



सत्यमेव जयते

GOVERNMENT OF PUDUCHERRY

Speech by

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Hon'ble Chief Minister of Puducherry



at the

***56th Meeting of the
National Development Council***

at

Vigyan Bhavan, New Delhi

on

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**Hon'ble Prime Minister,
Hon'ble Deputy Chairman, Planning Commission,
Hon'ble Chief Ministers and distinguished
Members of this august House,**

I am indeed happy and privileged to participate in the 56th Meeting of the National Development Council convened today for consideration and approval of the Approach Paper to the Twelfth Five Year Plan on “Faster, Sustainable and more Inclusive Growth”.

2. It is heartening to note that the share of India in the world GDP has been on the increase. From a mere 0.5% share in 2000, it has gone up to 1.9% in 2011 and estimated to go

up to 3.6% in 2016 for which I compliment the Government of India for its proactive measures. Also, I congratulate the Planning Commission for having prepared a detailed Approach Paper with wide consultations across the country with various organizations and civil society groups. It is a matter for concern that the annual growth rate of 9% estimated during Eleventh Five Year Plan to ensure faster and inclusive growth, could not fully be achieved due to deceleration of growth in primary segment. The average annual GDP Growth of 8.2% could only be achieved against the estimated annual growth rate of 9%. The weakest monsoon experienced in 2009 in India coupled with the global melt-down in the later part of 2008-09 were the major reasons in bringing down the growth rate. I congratulate the Government of India for its sincerity in ensuring 100 days of assured employment by providing adequate outlays to the target groups in

rural areas through the implementation of MGNREGA. This programme is not only a source of employment for specific period to the rural population but also acted as a livelihood programme.

3. I am happy to note that the Approach Paper to the Twelfth Five Year Plan (2012-2017) has projected two alternate annual growth rates *i.e.* one at 9% and another at 9.5%. I would suggest that Planning Commission may settle for an annual growth rate of 9% based on the prevailing economic climate in India. The domestic inflationary pressures coupled with the recessionary trend prevailing in Indian economy need to be contained. The common man need to be protected from the spiraling prices of essential goods and his felt needs and aspirations should be taken care during the Twelfth Five Year Plan.

4. Since about two-third of the Indian population depends on agriculture for their livelihood, there is a need to spurt the agricultural growth to ensure inclusive growth in India. Unless agricultural growth from the present level of around 3%, has been lifted to the level of 4% annual growth rate, it would be well-nigh impossible to ensure faster, sustainable and more inclusive Growth. The agriculture sector needs much patronage during the Twelfth Five Year Plan by ensuring the distressed farmers, the key inputs like quality seeds, adequate and timely credit, assured water supply and remunerative prices for their agricultural produce.

5. I am to inform this forum that the Union Territory of Puducherry had achieved an annual growth rate of 10.99% in 2007-08 followed by annual growth rate of 8.63% in 2008-09, 12.88% in 2009-10, 13.97% in 2010-11 and estimated to

grow at 14.95% in 2011-12. The annual average GDP growth rate of Eleventh Five Year Plan would be at 12.28%. Though Puducherry has achieved more than the all India annual growth rate, there is a slow down in Industrial and agricultural fronts of the Union Territory economy.

6. The Union Territory of Puducherry has been on the forefront in implementing programmes under social and community sectors. Many of the monitorable targets of the Eleventh Five Year Plan had already been achieved and the Union Territory is above the national average. In respect of Infant Mortality Rate, Maternity Mortality Rate, Total Fertility Rate and the Sex Ratio in the age group (0-6) under Health sector, the Union Territory of Puducherry is well above the national average. The Dropout Rate in elementary level, literacy rate and Gender Gap Literacy Rate under Education sector in the Union Territory of Puducherry

showed remarkable achievement over the all India average. I am pleased to inform that about three-fifth of the State plan expenditure is spent towards social and community sectors, out of which major chunk goes towards health, education and water supply.

7. While implementing the Indira Awas Yojana (IAY) under Flagship programme, we found that there are not much takers for the scheme as already a State Housing Scheme with similar object and with higher subsidy is available under Adidravidar Welfare Department, wherein it is proposed to utilise the available IAY funds. I would like to focus to this forum that the paucity of State share causes problem in implementing many programmes including Flagship programmes like JNNURM. There are variations between the estimated cost and tendered cost and the difference in cost need

to be taken care under central share instead under state share. Hence, I would request this august House that in the case of Union Territory of Puducherry, 100% central assistance may be provided by Government of India to implement the Flagship Programme like JNNURM. A small Union Territory like Puducherry with limited resources could not do much manoeuvrability in mobilizing big chunk of resources for the implementation of major programmes unless adequate Central Assistance is ensured.

8. The forum may be aware that the Union Territory of Puducherry is deprived of funds under plan due to changes in the pattern of plan financing adopted since 2006-07. Due to this, the grant portion has been reduced and to that extent the Union Territory is forced to go in for loan component as part of approved pattern of plan financing. Further, the Union Territory of Puducherry

is also devoid of devolution of funds to Local Bodies. Hence, I would sincerely request this forum to sanction annually ₹ 200 crores as special grant to Local Bodies in the absence of devolution to the Union Territory of Puducherry. The special grant need to be ensured till constitutional amendment is brought in for inclusion of the Union Territory with Legislatures in the Terms of Reference of the Finance Commission. I would request Planning Commission to double the Normal Central Assistance (NCA) from its present level to compensate the change in the pattern of assistance.

9. Also I would plead that Puducherry needs to be assisted with fund for taking up infrastructure projects like flyovers, roads, road over bridges, etc. besides improving Transport and traffic network adequately. After assumption of Office, I had met Hon'ble Prime Minister and

requested to provide one time special central assistance for taking up various infrastructure related projects to the tune of ₹ 3,645 crores. This assistance may be provided during the first year of the Twelfth Five Year Plan to the Union Territory of Puducherry so that the infrastructure projects could be taken up and implemented on time. As suggested by the Ministry of Finance, I have already taken up this issue with Deputy Chairman, Planning Commission. This special package if implemented will increase our tourist inflow which would generate more revenue to the State.

10. The Union Territory of Puducherry acts as an educational hub. However, most of the technically qualified people could not find avocation in Puducherry as industries are slowly moving away from Puducherry as all Industrial concessions have been withdrawn. Hence, central industrial investment subsidy which was prevalent two

decades back may be reintroduced to retain the existing industrial base in the Union Territory of Puducherry besides attracting major industries. This will facilitate large employment opportunities to the skilled and semi-skilled personnel in the Union Territory. This would substantially reduce unemployment in the Union Territory of Puducherry during the Twelfth Five Year Plan, besides increasing the State GDP. I propose to set up a Task Force for Speedy Industrial growth.

11. During the Twelfth Five Year Plan, the Union Territory of Puducherry would focus on increasing shift to horticulture, floriculture and fisheries. Natural resource-based integrated farming system with crop diversification and live-stock integration would be promoted by availing the funds under the RKVY programme. In the secondary sector, more emphasis would be on small & medium enterprises and small scale service

business enterprises so as to generate more employment both in rural and urban areas. The industries would be promoted in such a way that water intensive, power intensive and polluting units would be discouraged during the Twelfth Five Year Plan.

12. The Puducherry Development Report brought out by Planning Commission has suggested a number of measures for the betterment of its economy. The Report has observed :

“Puducherry is emerging a model small State on the National scene, as evident from being judged as best small State in India Today’s annual state survey. Its enormous potential with per capita income second only to Goa and literacy second only to Kerala need to be harnessed in full measure. With much needed provision of maritime port, functional airport and broad-gauge rail network, its potential of all-round growth can be realised during the Twelfth Five Year Plan.”

13. The Union Territory is aware that Tourism is a potential area for developing it further to generate much needed resources. It is worthwhile to recall that the Member, Planning Commission, has stated in the Annual Plan 2011-12 discussions, that the full potential of tourism is yet to be tapped in the Union Territory of Puducherry and in this regard, he has suggested to prepare a vision document for Puducherry, at least for next 5 to 10 years, so as to bring Puducherry on the International Tourism Map. Union Territory of Puducherry will fully utilise its Tourism potential in all the four regions. The Approach paper of the Twelfth Plan aims to adequately tap the services sector being the principal generator of employment. Mostly tourism, hospitality and construction industries generate large employment potential. Taking cue from the approach paper, the Union Territory of Puducherry would draw the vision document for enhancing the tourism capability in Puducherry. The low cost

accommodation through Youth Hostels, Yatri Nivas, Government guest houses and low cost high quality boarding encouraged the tourists to prefer Puducherry as the favoured destination.

14. Planning Commission may be aware that Aricamedu, an archaeological site, connected to the then Roman Empire is being developed under the Tourism sector. The required land has already been acquired and the Detailed Project Report has been prepared for developing Aricamedu as one of the tourist destinations in the Union Territory of Puducherry. The aim of my Government is to make Puducherry as a week-long tourist destination rather than a week-end destination. Already Puducherry is getting connected through rail with major cities. The air connectivity to Puducherry would further boost the tourists' arrival. For airport expansion Plan, more central assistance is required.

15. I request the Planning Commission to provide substantial Central Assistance to the Union Territory of Puducherry during Twelfth Five Year Plan.

16. With this, I endorse the Approach paper to Twelfth Five Year Plan. I am thankful to Hon'ble Prime Minister for having given an opportunity to express the issues concerned. I do hope that Twelfth Five Year Plan will be an epoch making Plan to increase the tempo of development for bringing prosperity to the people in general and the target groups in particular.

Thank You !



**56th Meeting of the
National Development Council**