



GOVERNMENT OF PONDICHERRY

SPEECH BY

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**51ST MEETING OF THE
NATIONAL DEVELOPMENT COUNCIL**

AT

NEW DELHI

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Hon'ble Prime Minister, Hon'ble Deputy Chairman, Planning Commission and distinguished members of the National Development Council,

It is a great pleasure and privilege to participate in the 51st meeting of the National Development Council convened to deliberate and approve the mid-term appraisal of the Tenth Plan.

At the outset I compliment the Planning Commission for bringing out a comprehensive mid-term appraisal document and making it available to us well in advance for our comments and observations in the National Development Council Meeting being held today. I am sure that the deliberations today would go a long way towards achieving our cherished goal of removal of poverty and speedy development.

In the last meeting of the National Development Council held in December 2000, the Council had approved the strategy and priorities to achieve higher growth rate with a view to double the per capita income, creation of job opportunities for 100 million people and improving the quality of life within a period of 10 years. It is a matter of concern to note that the mid-term appraisal document indicates that GDP growth averaged only at 6.5% in the first three years, which is below the Tenth Plan target of 8.1%.

It is further noted that under Agriculture and Allied sector, the actual average growth rate was only 2.2% for the first three years as against the Tenth Plan target of 4%. Similarly the actual average growth rates under Industry sector and Services sector was only 7.6% and 6.7% as against the Tenth Plan targets of 8.9% and 7.9% respectively. Thus sectorally, the targets that had been set for the Tenth Plan has been missed in all the sectors during the first three years.

The mid-term appraisal also draws pointed attention to the fact that infrastructure inadequacy in both urban and rural areas has been a major factor containing the GDP growth rate. Consequently unemployment rate, which stood at 8.87% in 2001-02 rose to 9.11% in 2004-05 indicating the fact that the total employment increased slower than the labour force growth during the first three years.

The mid-term appraisal document also, indicates that actual poverty ratio will

be known only after 61st round of NSS details are received. Nonetheless, I am sure that there may not be significant change in the poverty ratio during the first three years of the Tenth Plan. Hence there may not be two opinions that some corrective, steps are essentially required at this stage to modify our strategy and priorities so as to accelerate the pace of growth in the last two years of the Tenth Plan. In this context, while endorsing all the recommendations made in the part II of the mid-term appraisal document, I strongly feel that the recommendations made under Human Resources Development, Agriculture and Food security, poverty elimination and rural employment, Industries and Tourism needed focused attention in the remaining two years of the Tenth Plan.

I am happy to note that Planning Commission has identified priority areas for Action as a part of mid-term appraisal. It includes (i) Rejuvenates support system for Agriculture and Allied Activities. (ii) Meeting the increased demand in secondary education, (iii) Support for higher education to SCs. (iv) Native Policy for older persons. (v) National Urban Renewal Mission, (vi) Social security for unorganized workers, (vii) Skill Development and Vocational Education and Training (viii) e-governance Plan etc. I fully endorse that these areas should form the framework for policy formulation leading to Eleventh Plan for a credible start in these areas in the rest of the Tenth Plan

We also strongly believe that agricultural diversification is essentially required in the Union Territory to substantially increase the income of farmers as well as for optimum use of the available water resources for better agricultural practices. We have already contemplated in the Tenth Plan to increase the area covered under horticulture and floriculture from 9.5% to 20% by encouraging the farmers through back ended subsidy. Technical input for the successful implementation of the project is also provided to the farmers through Uzhavar Udaviyagams (Farmers Help Centres). These Farmers Help Centres setup in various parts of the territory are well connected through "Agrinet". With the aim to regulate the sale and purchase of agricultural produce, regulated markets have been established in various places in our Union Territory As a market intervention mechanism in the sale of horticulture produces, Uzhavar Sandhais have been established for direct sale from farmers to public. The establishment of cold storage units and food processing units in the near future will pave way to farmers for shifting over to horticulture crops.

There are no major irrigation projects in the Union Territory. Surface irrigation and tube well irrigation are very popular in Pondicherry region. We have more than 7,000 tube wells in this region to take care of the irrigation needs of the agricultural lands. During last phase of the Ninth and first phase of the Tenth Plans we embarked upon implementing European Assisted Tank Rehabilitation Project under which desilting of 84 tanks have been taken up in close coordination with Water Users Association. We could successfully complete this project and storage capacity of these tanks had been restored to the original level. As far as the Karaikal region is concerned the agricultural activities totally dependent on Cauvery water. Despite desilting of canals anticipated results in utilising the water for irrigation could not be achieved due to non-release of Cauvery water from upper reaches. Construction of bed dams, tail end regulators, formation of new lakes are some of the measures taken by the Union Territory Administration to effectively store the run-off water during the monsoon seasons.

I have accorded highest priority for providing safe and potable drinking water through implementation of Plan schemes. I have taken steps to ensure that all four regions are well covered under the programme and I am happy to inform that I got favourable response from the neighbouring state of Kerala in respect of Mahe region and Andhra Pradesh in respect of Yanam region to find permanent solution to drinking water problems in the above regions.

I am happy to report that we have been doing well in the field of Education, Health and other Social Services sectors due to continued support from the Planning Commission. We spend about 50% of our Plan allocations for social services sector, as we strongly believe that investment in these sectors would pay rich dividends in the long run.

We ensure that each and every child born in this territory is covered under immunization programme. We are one among few states providing excellent health care and marching towards "Health for AH" by 2010. We welcome the implementation of National Rural Health Mission which will definitely further improve the health status of the people in the rural areas.

We also ensure that all students continue their education at least upto school final. Our literacy rate is 81.49 as per 2001 census against the national average of 65.38. Our aim is to become 100% literate State by 2012. Since all our villages are

well connected by motorable roads and schools are well supervised by the Officers of the Directorate of School Education. Due to smallness of the territory we rarely face the problem of teachers absenteeism in the Primary Schools. Quality of teaching is also fairly good in our territory as trained teachers are recruited to handle the classes in the territory. We have already initiated steps to create number of teaching posts as per the norms in the Government Schools,

The National Food for Work Programme features have to be made location specific since States have different socio-economic, geographical and cultural features which require some flexibility in the actual physical implementation. The Union Territory of Pondicherry has a rural population of about 33%. The territory while having impressive socio-economic indicators on the whole has its pockets of poverty and for such families the Food for Work Programme plays a vital role in supplementing their income. The Union Territory Administration should have the discretion to fix the wage rates based on the market rates as against the minimum wage fixed by the Government of India. This would make it attractive and help to attract large and consistent numbers of labourers who are required to make labour intensive works a success. The Union Territory labour force prefers a higher component of cash payment than to payment in rice. This flexibility should also be given. The ratio of labour and material is about 60:40. This could be relaxed upto 40:60, in certain situation where there is a requirement of heavy machinery, such as excavation of lakes etc., where judicious use of machinery will ensure that the work is done for optimum social good.

Transparency in governance is one of the basic objectives of our administration. As part of e-governance initiatives, we have prepared a blue print for establishment of IT backbone and steps are taken for setting up of data centres in the current year.

For the overall development of Union Territory we need the support of the Planning Commission for Development of infrastructure facilities like Airports and Sea Ports both in Pondicherry and Karaikal, laying of new railway line in Karaikal, electrification of Pondicherry -Viilupuram broad gauge railway line, Fishing Harbour at Karaikal, Thirunallar temple development scheme at Karaikal, establishment of Special Economic Zones, free Port for Pondicherry, implementation of Tourism related projects, establishment of Power projects, establishment of Food Parks,

modernization of Spinning Mills, Anglo French Textile Mills, setting up of Government Medical College, etc. We seek your continued support for implementation of these projects in the Union Territory.

Recently, Ministry of Commerce, Government of India have sanctioned a Special Economic Zone at Pondicherry. We have started the process of acquiring about 1,000 acres of land for the purpose. A party has also been selected for preparation of a Detailed Project Report and depending on its suitability the developer will be selected in next three months. This will further add to the industrial expansion programmes of Pondicherry and it is expected that with the establishment of Special Economic Zone a good number of employment opportunities would be created and there will be greater multiplier effect for development of Pondicherry in all the Sectors.

The present availability of power is about 380 MW. However, this demand is likely to increase with the development of Port, Special Economic Zone and other infrastructures in Pondicherry. It is expected that in next 5 years, the demand for power in Pondicherry will be about 600 MW. We are making various efforts to ensure that Captive Power Generation gets promoted with an additional allocation of gas from the GAIL. If gas is made available, it will be possible to get another 100 MW capacity installed at Karaikal itself.

To seek availability of gas through private sources we are making efforts. If it is possible, it would be feasible to generate Gas based electricity within Pondicherry by adding another 250 MW along with 380 MW available from Central generating stations. This is enough to meet the demand of power by the end of Eleventh Five Year Plan. The Power Finance Corporation of India has also shown interest to provide loan for generation of additional power in Pondicherry.

The Government has been trying to develop the Pondicherry Port on BOT basis for almost a decade. As at present the Port is not an economic proposition and hence it has not been possible to find a developer. However, with consistent efforts and recent improvement in handling at the existing Port, it has been possible to find a party for the development of Port. Depending upon the suitability of the Detailed Project Report, the Port development process should commence in next three month's time. This is likely to provide 5,000 direct employment opportunities and about 10,000 indirect employment opportunities in Pondicherry. It is expected that in

next 5 years the Port should handle about 5 million tonnes of cargo as against about 1 lakh tonne at present.

The number of vehicles is rapidly increasing in Pondicherry. As against 2.5 lakhs vehicles in 2000-01, at present there are more than 3.5 lakhs vehicles in Pondicherry. With hyper increase in the number of vehicles, it will be necessary to have a Mass Rapid Transport System in Pondicherry in next 15 years time. The Government has decided to appoint a consultant and the RITES (A Government of India Undertaking) has already been approached in this regard. It is expected that in the next 10 to 15 years of time, there will be necessity for a MRTS. The Government is taking necessary steps in this direction. Formation of by-pass roads, construction of flyovers is also being contemplated to improve the traffic congestion in Pondicherry town.

With its 32 kms. Coastal line, Ashram, Auroville and Beaches, Pondicherry is an ideal place for spending holidays with families. In fact tourism is to become the backbone of the economy of Pondicherry in next 10 years of time. Pondicherry with its fascinating name has great attraction for tourists but unfortunately the tourism related infrastructure is not available at present.

Beaches at Karaikal and Pondicherry were totally devastated by tsunami and hence they need to be reconstructed. We plan to rebuild the tourism infrastructure at an initial cost of Rs.15 crore.

The most important tourist spot in Pondicherry is the Sani Temple in Karaikal, where at present 60 lakhs people are visiting the shrine every year. This is one of the biggest religious places and it is expected that in next 5 years, the religious tourists are going to be around 5 crores per year. The Government is taking steps to develop this Sani Temple at Thirunallar as a Temple Town and a scheme for its development like the one at Vaishnav Devi at Jammu at a cost of Rs. 210 crores has been prepared. It is also proposed to develop the Port and Airport at Karaikal for which necessary action has already been started by calling Public Private Partnership bids to make investment for the development of the Port and Airport at Karaikal.

In addition, in the vicinity there are three adjoining religious places, within 20 kms. from Karaikal, at Nagore where people irrespective of cast, creed and religion worship at this Islamic shrine and that Khanduri festival during October and

November is very popular. So also Velankanni where people of all religions worship the Sacred Arokkiya Madha Church in this holy place. And with the development of Karaikal Temple Town these adjoining places will also get developed at a large scale.

I am happy to report that all villages in the Union Territory have been well connected by all weather roads. Our efforts will be towards improving the standard of roads to meet the present day traffic and for smooth and quick flow of materials from villages to town and vice versa. However, due to rapid urbanization and industrialization the traffic intensity has increased manifold resulting in traffic congestion, poor road / pedestrian safety, strain on public services, stress on road stability, over all degradation of road environment. Therefore, there is a need to upgrade and strengthen the existing roads to IRC standards in a comprehensive manner including widening, strengthening and standardizing road pavements and junction geometries, construction / reconstruction of bridges, culverts, subways, flyovers etc.

The Central Assistance to the Union Territory of Pondicherry has been the prime source for faster development of Pondicherry. Central Assistance and Union Territory's own resources are two important components of our Plan Finance. Central Assistance for our Plan programmes was in the order of 73% of the agreed Plan outlay for the Seventh Plan 1985-90. It has been reduced over the period of time. The Central Assistance for our Plan programmes for the Annual Plan 2004-05 was only 32%. As a result we have very little resources for infrastructural development in our Union Territory. I request the Hon'ble Prime Minister to kindly allow at least 60% of the Plan outlay as Central Assistance to fund our Plan programmes during the remaining two years of the Tenth Plan to enable us to take up various infrastructure development projects in our Union Territory.

Conventionally 35% of the Central Assistance was given as loan and 65% of the Central Assistance was given as grant. This has been a practice for long. But for the year 2005-06, the Ministry of Finance, Government of India have advised us to go for market borrowing in respect of loan component of the Central Assistance. It is understood that this advice is based on the recommendations of the 12 Finance Commission. I would like to bring to your kind notice that the recommendations of the Finance Commission are not applicable to the Union Territories. Hon'ble Prime

Minister may appreciate that it is very difficult for small Union Territory like ours to raise enough resources through market borrowing. Hence, at least till the end of Tenth Plan the old practice of giving loan to Union Territory under Central Assistance for funding the Plan schemes may be continued. Further under Non-Plan the gap between revenue expenditure and revenue receipts is given as gap grant and the gap between capital expenditure and capital receipts is given as loan assistance by Government of India. We approach Government of India again for loan for repayment of the loans thus obtained under Plan and Non-Plan. This has become a vicious circle and the loan burden is increasing every year. I would request the Hon'ble Prime Minister and Finance Minister that the entire outstanding loan may be written off and loan component of Central Assistance may be withdrawn from the Eleventh Plan onwards.

Government of India has insisted on matching grant for the Centrally Sponsored Schemes in respect of Union Territories with legislature. The communication from Ministries relating to allocation of matching grant is received in the administration after the finalisation of the Annual Plan size and we are not able to keep aside matching grant hence a number of CSS programmes could not be taken up in the respective financial years.

I would like to place on record our sincere thanks and gratitude for the valuable guidance and support extended by the Government of India to Pondicherry when it was badly devastated by the tsunami disaster. The visits of Hon'ble Prime Minister, Hon'ble Home Minister, Hon'ble Finance Minister, other Ministers and dignitaries reassured the people and the Administration to fight back the tragedy with greater vigour, strength and dedication. I am immensely grateful to Planning Commission for a very considerate and sympathetic approach to our Administration in releasing Rs.100 crores as Special Assistance for taking up restoration works in tsunami affected areas.

The tsunami related works are being implemented on top priority so that the rehabilitation of the tsunami affected people could be done in minimum time. I am also confident that funds allocated for infrastructure development in tsunami affected coastal villages would be fruitfully utilised within the time frame allowed by the Planning Commission.

I would like to briefly tell this august forum about the impact of tsunami in the

territory and the rehabilitation measures undertaken by the Administration. Due to tsunami, 16 villages in Pondicherry and 17 villages in Karaikal were affected rendering 30,000 people homeless and death toll was 599. The agricultural crop in 792 hectares of land has been damaged. 48 Relief Camps were set up to take care of the relief operations. The fishermen community has mainly borne the brunt of tsunami. The losses incurred by them are heavy both in terms of lives lost, houses and damage to the fishing crafts.

The immediate relief measures announced by Government of Pondicherry comprised of ex gratia payment to the family of each deceased, cremation expenses to the family of each deceased, Medical expenses to each injured person, housing subsidy for each house irreparably damaged / destroyed, grant of financial assistance per affected fishermen family to purchase utensils, clothes etc., supply of 70 kgs. of rice to affected families, supply of dhotis, sarees, , and a bedsheet to each affected family. Under the long-term rehabilitation measures a Society namely Project Implementing Agency has been constituted for the implementing : the World Bank sponsored projects in tsunami affected coastal areas. , Policy guidelines have been framed for the participation of NGOs/

Voluntary agencies/Individuals for the construction of houses in tsunami affected areas. The financial soundness, capability to complete the work, source of funding, blacklisted details of the NGOs who have come forwarded are being scrutinized before allotting land to them for construction of tsunami development projects. A High Level Committee under the Chairmanship of Chief Minister has been constituted for speeding up and reviewing the rehabilitation works in tsunami affected areas. Under the Rajiv Gandhi Rehabilitation package for tsunami affected areas, an amount of Rs. 155.62 crores has been sanctioned and Rs. 70.83 crores has been so far granted. Apart from this, in order to provide safe alternate accommodation along the coastal areas and keeping the CRZ in mind the Government has acquired and taken possession of 51H - 32A-21Ca. hectares of land.

The impact of tsunami was felt substantially on the tourism sector, which registered a downward slide in tourist arrivals during the first quarter of 2005. The tourism infrastructure on the coastal areas has been devastated by the tsunami and damages worth Rs. 50 crores were incurred both in Pondicherry and Karaikal.

However, over the past few months the backwater and the resorts have recovered and started operations and the tourist arrival in the summer holidays have picked up. Apart from rebuilding the tourism infrastructure, efforts have to be taken to dispel the fear of tsunami from the minds of tourists, proactive advertising campaign is being taken up. I would like to request the Ministry of Tourism to assist the Government of Pondicherry in rebuilding the infrastructure so that the tourism industry continues to be the major revenue earner.

I would like to conclude that my goal is to transform our Union Territory into a model State in all spheres within a reasonable period of time.

I am thankful to the Hon'ble Prime Minister for giving me the opportunity to share my views in this esteemed forum and I am also thankful to all dignitaries for giving patient hearing to my views in this august forum.

JAI HIND II