

***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 54th meeting of the National Development Council which has been convened today for consideration and approval of the Draft Eleventh Plan 2007-12. Let me first convey my warm greetings and best wishes for the New Year 2008.

2. At the outset, I place on record my sincere appreciation for the commendable work done by the Planning Commission under the able guidance of Dr. Montek Singh Ahluwalia, Deputy Chairman, Planning Commission for bringing out a well drafted Eleventh Plan document. The broad vision of the Draft Eleventh Plan includes many issues that cut across all sectors, namely, rapid inclusive growth and poverty reduction, access to basic services, equality of opportunity, empowerment through education and skill development, recognition of Women's agency and good governance. Various policy options have also been discussed in the Draft Plan document to take our Nation forward through the process of planned development. I strongly believe that our Nation is capable of mobilising adequate resources to fund the projects to achieve an annual average growth rate of 9%, as envisaged in the Eleventh Plan. I endorse the strategies and priorities outlined in the Draft Eleventh Plan Document. I am also sure that this Draft

Plan is a big step forward in our Nation's march towards becoming a super power by 2020.

**3.** As far as Union Territory of Puducherry is concerned, it is proposed to give the highest priority to development of infrastructure facilities to attract investment for environment friendly industrial development, in particular growth of tourism and IT related industries, which in turn would lead to creation of more employment opportunities and generation of revenue. Special attention will be given for skill development and manpower planning to meet the requirement of existing and new industrial units in this Territory. Industrial Training Institutes will be modernized / upgraded to offer job oriented courses. Public Private Participation will be encouraged in selected areas where huge investment is required for development of infrastructure facilities for speedy economic growth. As a part of environment protection no license is issued in our territory for polluting industries. Power and water consuming industries are also discouraged. We have also taken steps to establish special economic zones to give push to environment friendly industrialization in our Union Territory.

**4.** Good quality infrastructure is the most critical physical requirement for attaining faster growth. It includes good roads, uninterrupted and quality power supply, excellent transport system, good communication facilities, sea port, airport, rail connectivity, etc., The Eleventh Plan outlines a comprehensive programme for development of infrastructure, especially in rural areas and in remote and backward regions. However, in order to achieve

the desired results, physical targets should be monitored and bottlenecks, if any, should be removed without loss of time.

**5.** Let me mention some important projects that need to be given priority during the Eleventh Plan to keep up economic development in the southern part of Coromandel Coast. Lack of connectivity between Puducherry and Cuddalore seriously hampers movement of trains beyond Puducherry. Providing a new railway line between Puducherry and Cuddalore, a distance of only 23 k.m., will facilitate easy connectivity of Puducherry to down South, including Bengaluru and Mangaluru, through the ongoing gauge conversion of Cuddalore – Salem section. Railway linkage also need to be developed between Tindivanam and Puducherry as this will avoid a circuitous route for Chennai bound trains through Villupuram. Laying of a new coastal Railway line from Chennai to Puducherry via Mahabalipuram and Marakkanam may also be considered. I also appeal to Hon'ble Railway Minister to introduce a 'Shatabdi' type of express train between Chennai and Puducherry for benefit of business community and tourists from various parts of the country to South. There is also an urgent need to widen and improve the existing Puducherry – Krishnagiri National Highway for better road connectivity between Puducherry and Bengaluru. It would boost tourism, trade and commerce in this belt.

**6.** People of Puducherry are extremely grateful to Hon'ble Railway Minister Shri Lallu Prasad Yadav for his support for inclusion of the proposal for laying a new BG line between Karaikal-Nagore in the Railway Budget. This project, which was announced more than a decade ago, is a very

important one. It will give rail connectivity to pilgrims visiting the Saneeswaran temple. I would also like to bring to notice of the Hon'ble Railway Minister that Puducherry Administration is in the process of executing a Thirunallar Temple Town Development project through HUDCO loan assistance. As a result, influx of domestic tourists will increase which will strain the existing road infrastructure severely. Hence, execution of Karaikal–Nagore BG line may kindly be completed at the earliest.

7. Puducherry Airport, was inaugurated in 1989. Initially Vayudoot operated Dornier Aircraft between Chennai and Puducherry thrice a week. But the Airport is not in operation since 1992 due to shortage of fleet. Now the Government of Puducherry have decided to expand the Puducherry Airport so that air services could improve gradually over years, from ATR type to bigger Boeing type aircraft, to meet the growing demand for air travel. An MoU has already been signed with Airports Authority of India for expansion of Puducherry Airport in two phases. In the first phase, the runway will be extended by another 260 meters to enable operation of ATR (40-60 seater) type aircrafts. In the second phase, the airport will be expanded further for operating bigger aircrafts. Land to an extent of 20 Hectares in Puducherry and 85 Hectares in Tamil Nadu has been identified for acquisition. I request the Ministry of Civil Aviation to coordinate the efforts of Governments of Tamil Nadu and Puducherry for operationalising the Puducherry Airport to commence air traffic at the earliest. This would go a long way to boost tourism, trade and commerce in this region.

**8.** Karaikal is known for the world famous temple of Lord Saneeswaran (Saturn) at Thirunallar. Lakhs of devotees from India and abroad visit the temple every year. Karaikal has in its hinterland such pilgrimage / tourist centers of repute as Chidambaram, Poompuhar, Thirukadaiyur and Tranquebar to the North, Mayiladuthurai, Thiruvidadimaruthur, Gangaikondacholapuram, Kumbakonam, Swamimalai and Alangudi to the West. The world famous Basilica of Velankanni and Nagore Dargha are located to the South of Karaikal. Therefore, Government of Puducherry has proposed to bring Karaikal on the air map. Airports Authority of India have made detailed study in Karaikal and furnished their preliminary feasibility report for development of a green field airport at Karaikal. We seek support of the Planning Commission to develop a green field airport in Karaikal region for speedy economic development of Karaikal region.

**9.** The 32.5 Mw Combined Cycle Gas Power Plant of the Puducherry Power Corporation Limited at Karaikal, which was put into commercial operation with effect from 03-01-2000 has been running extremely well in terms of both profitability and achievement of targets fixed by the Central Electricity Authority. Considering the potential of industrial growth in the Union Territory of Puducherry, the Corporation had proposed expansion of its capacity to 132.5 Mw and appointed Central Electricity Authority (CEA) as consultant for the project. Accordingly, Ministry of Petroleum and Natural Gas was approached for an additional requirement of 4.85 lakhs cu.m. of gas per day on firm basis as against the actual allocation of 3.0 lakhs cu.m. of gas per day, that too on fall back basis. Ministry of Petroleum and Natural Gas is yet to

take a decision favourable to our Union Territory. It is felt that, considering the requirement of power in the Union Territory of Puducherry, especially at Karaikal, the expansion proposal of the Corporation be favourably considered in the Eleventh Plan. We have also proposed to set up a Combined Cycle Gas Power Plant with a capacity of 250 / 300 Mw at Yanam, an enclave of the Union Territory of Puducherry. The CEA had already been appointed to prepare the Techno Economic Report. The estimated cost of the project would be around Rs.1000 to Rs.1200 crores. We would need support of the Planning Commission to include the above project in the Eleventh Plan.

**10.** Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Bharat Nirman Programme (BNP), which were introduced during the last year of the Tenth Plan will go a longway to meet the funding requirement of States / Union Territories in upgrading their infrastructure. Funds have been allotted to our Union Territory under JNNURM only in the current Annual Plan due to delay in finalization of City Development Plan and signing of MoU with Ministry of Urban Development, Government of India. I would request the Planning Commission to extend the project period to enable States / Union Territories like us to draw our full share under JNNURM which will be for a period of seven years.

**11.** Various tourism activities have been spearheaded in Puducherry by providing innovative tourism products, trained human resources and hospitality services by the Tourism Department along with a Tourism Corporation and Hospitality Institute. Sustained publicity campaigns, participation in fairs in India and abroad has heightened public awareness and

attracted tourist traffic and investment in tourism infrastructure over the years. The Union Territory has seen a growth of more than 25% in tourist arrivals during the year 2006 and various tourism projects are being planned under Public Private Partnership mode. We promote Puducherry a calm and peaceful destination with due care and concern for its pristine heritage.

**12.** Agriculture remains the predominant sector in terms of employment and livelihood with more than half of our workforce engaged in it as its principal occupation. Hence the target of doubling the rate of growth of Agriculture to 4% in the Eleventh Plan is critical for achieving greater inclusiveness as rightly emphasized in the Plan document. I am happy to note that Gross Budgetary support for Agriculture and Irrigation has been increased from 6.22% in the Tenth Plan to 8.55% in the Eleventh Plan. My Government is committed to accord a high priority to Agriculture and Allied activities. In order to ensure convergence of activities of Agriculture and Allied sectors, namely Horticulture, Fisheries, Forestry, Animal Husbandry, Dairy, Co-operation, etc. for the common benefit of farming community and to implement the new extension reforms, Agricultural Technology Management Agency (ATMA) has been established separately both in Puducherry and Karaikal districts of our Union Territory. District Agricultural Plans for both districts of Puducherry and Karaikal have been prepared for implementation in the next five years. A task force on agricultural productivity has been constituted with the mandate of taking necessary steps to increase productivity levels in agriculture.

**13.** The Eleventh Plan places the highest priority on education and health to leverage attainment of rapid and inclusive growth. I am immensely happy to note that Gross Budgetary Support for education and health combined together has been increased from 13.30% in the Tenth Plan to 28% in the Eleventh Plan.

**14.** Investment on Education and Health will continue to be a priority area during the Eleventh Plan in Puducherry to achieve the targets fixed by the Planning Commission for the Eleventh Plan 2007–12 and to achieve Human Development Index comparable to developed nations. 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 Planning commission. More than 55% of our total Plan allocation is spent for the social services sector, as we strongly believe that investment in human resource development would pay rich dividends in the long run. The literacy rate in the Union Territory is 81.23 % as against the national average of 65.38%. The Union Territory occupies the seventh place amongst States & Union Territories in the literacy rate. We ensure that children continue their education upto school final and innovative schemes are implemented under Plan offering special incentives for students to continue their education beyond school final. In order to reduce drop-outs, midday meals scheme and Shri Rajiv Gandhi Breakfast scheme are implemented. Under Shri Rajiv Gandhi Breakfast scheme, the first of its kind in the whole of India, 150 ml of standardized hot milk with 35 gms. of sweet biscuits is supplied in the morning hour to school children.

15. The Union Territory is emerging as a centre for higher education with 117 higher learning institutions. To undertake major expansion and improve quality in higher education, it is proposed to set up a State University which would provide extended higher educational facilities, specially, to students from middle and lower income groups, backward and under privileged sections of the society. Expanded programmes of higher and research education are being planned in different regions to reduce regional imbalances and backwardness. The National Assessment and Accreditation Council (NAAC) have accorded accreditation to four Government colleges during the Tenth Plan and the remaining institutions will also be encouraged to seek NAAC accreditation in due course.

16. I agree that skill and knowledge are the driving forces of economic growth and social development, and more so, in the age of increasing globalisation. I am happy to note that Government of India shall set up a **Skill Development Mission** with the objective of creating a pool of trained and skilled labour force sufficient to meet domestic requirements of our rapidly growing economy. I also welcome the proposal of creating **National Skill Development Fund** imposing an universal skill development obligation on industry in skill development.

17. The Union Territory has been in the forefront of providing very good health care services through a network of hospitals, primary and sub-health centres. The Administration has been able to achieve the lowest Maternal Mortality Rate of 36 per one lakh live births since more than 98% of the

deliveries are conducted in Health Institutions. 100% coverage of children under age of 5 in immunisation is consistently maintained. Kidney transplantation is performed free of cost to BPL patients, apart from distributing medical assistance for taking up treatment for life threatening diseases. Bigger share of budget allocation towards infrastructure development in health has resulted in improvement of all health indicators, majority of which have already touched 2020 goals.

**18.** Though per capita income in the Union Territory of Puducherry is as high as Rs.49,828 for the year 2004 - 05, 22.4% of the people still live below the poverty line as per the estimate available for the year 2004 - 05. It is mainly due to in-migration of poor people from the adjoining areas of our Union Territory for livelihood. We implement a number of welfare programmes for development of women and children in our Union Territory. Puducherry Women's Commission has been constituted to solve the problem of women folk. All Women Police Stations have been established in three places. As part of women empowerment, women purchasers are exempted from payment of 50% of the stamp duty while registering the properties in their names. ICDS programme is implemented in letter and spirit. Financial assistance for widow re-marriage, marriage allowance for daughter's marriage of destitute women, financial assistance to women to undergo computer training, financial assistance to women self-help groups, additional financial incentives for women entrepreneurs are some of the programmes implemented for women in our territory.

**19.** We are keen to ensure better quality of life for people of Puducherry as we believe that only inclusive growth is real growth. Keeping this in mind, we are always in forefront in implementing innovative welfare schemes for benefit of poor and downtrodden. We have launched many welfare schemes covering handicapped persons, weavers, agriculture labourers, fishermen, children, women, SCs, and other disadvantaged sections of the society. Monthly financial assistance for the disabled persons, retention scholarships and supply of nutritious food to children, financial assistance for the students pursuing professional education, providing training to educated unemployed youth for improvement of their skills, subsidy for setting up of small business units for SCs, women and handicapped entrepreneurs are some schemes which have effectively contributed towards the socio-economic upliftment of the underprivileged.

**20.** We have taken note of the 27 targets identified for close monitoring during Eleventh Plan period in six major areas namely (a) Income and Poverty (b) Education (c) Health (d) Women and Children (e) Infrastructure and (f) Environment of which 13 are disaggregated at the level of individual states. We assure you sir, that all efforts will be made to realise the targets fixed for our Union Territory for the Eleventh Plan 2007-12.

**21.** I would like to present briefly certain issues relating to the Union territory for kind attention of the Hon'ble Prime Minister and Deputy Chairman, Planning Commission.

**22.** Puducherry has shown remarkable progress in trade and commerce over the years. It is, however, still industrially backward. The territory is endowed with little resources of its own, capable of exploitation for industrial growth. Most of raw materials required for industries come from outside the territory. There is no market within the territory and growth of industries is dependent on the extent of concessions shown to industries to market their products outside the State. As a result of implementation of the decision to stop extension of Sales Tax related concessions to new industries, the industrial growth in Puducherry slowed down during the Tenth Plan period. I therefore urge upon the Central Government to provide a package of incentives for boosting industrial growth in our Union Territory.

**23.** My Government has initiated a number of steps to promote IT and IT enabled services in our Union Territory. The Rajiv Gandhi Knowledge Village Centre will be established to impart high-end IT training at all levels for better earnings. We also propose to establish common service centres in all revenue villages during the Eleventh Plan to provide internet access and e-governance services in rural areas at affordable cost. Puducherry region, which is very close to Chennai, has abundant potential for growth of IT industry. My Government is keen to take full advantage of the present trend and take all possible steps to promote IT and IT enabled services in the Puducherry region. However, being a small Union Territory, we find it difficult to cope with the pace of development taking place in neighbouring States. Hence, we will be highly grateful if Ministry of Communication and IT extend financial assistance in the form of Additional Central Assistance to speed up IT related

activities in our Union Territory and to create necessary infrastructure for attracting IT entrepreneurs to our Union Territory.

**24.** The Union Territory of Puducherry was declared as an Union Territory with legislature fifty years back, but the Legislative Assembly is still functioning in a very old building constructed by the erstwhile French government. We have already drawn an ambitious plan to construct a new Assembly complex at an estimated cost of Rs. 150 crores and land has already been identified. I will be highly grateful if funds are released under the budget of Ministry of Urban Development for construction of the new Assembly complex with modern facilities. I request the Hon'ble Prime Minister to kindly include the above project in the Eleventh Plan and provide funds to take up the project at an early date. I also urge upon Planning Commission to enhance Central Assistance to complete prestigious projects namely, Puducherry Government Medical College, Fishing harbour at Karaikal and construction of Court Complex - Phase II at Puducherry.

**25.** Karaikal district is about 135 kms. south of Puducherry on the East Coast. It is surrounded by Nagapattinam district of Tamil Nadu. The district lies at the tail end of the Cauvery Delta. Irrigation in Karaikal district is dependent on the canal irrigation system which ultimately depends upon release of Cauvery Water from Mettur dam. Due to failure of monsoon, delay and inadequacy in the release of Cauvery water, agriculture in Karaikal district has been affected drastically during the last 10 years, leading to lesser income from the farm sector. The area under cultivation has come down by

50% (from 12,000 Hectares to 6000 Hectares). The failure in farm sector has led to heavy displacement of agricultural labourers. Due to lack of adequate income from the farm sector and due to lack of alternate employment in industrial sector, purchasing power of both farmers and landless agricultural labourers has come down. Almost every year they depend upon the compensation paid by the Government for loss of crop due to drought or flood. Further the farmers and fishermen get lower prices for their meager farm products and fish catches as there is no preservation, processing or value adding units in Karaikal district. There is no adequate industrial infrastructural base in Karaikal district to absorb the displaced unemployed youth on a large scale. Hence, I appeal to the Hon'ble Prime Minister to treat Karaikal district as a backward district and provide Additional Central Assistance from Backward District Grant Fund for infrastructure development of Karaikal district of this Union Territory.

**26.** Natural calamities like cyclone and floods occur frequently in one or the other region of this Union Territory, making a large number of people shelterless. Consequent to coming into force of the Disaster Management Act, 2005 in the Union Territory of Puducherry, a State Disaster Management Authority, District Disaster Management Authorities and State Executive Committee/Advisory Committee have been constituted. These authorities are to be strengthened with the creation of appropriate personnel and machineries. The Act provides for establishment of funds such as State Disaster Mitigation fund, District Disaster Mitigation fund, State Disaster Response fund and District Disaster Response fund. The aforesaid funds are

to be provided for in the coming years. It may vary from Rs.20.00 crore to Rs.50.00 crore per annum. I urge upon Hon'ble Home Minister to provide funds from the Home Ministry budget for effective implementation of the Disaster Management Act 2005 in our disaster prone Union Territory.

**27.** Small Savings play very important role in mobilizing resources for financing plan schemes in States / Union Territories. Unfortunately, there is sharp declining trend in small savings collections. It is noticed that many traditional investors under small savings schemes foreclosed their accounts and diverted their savings to other mode of investment. The net collection under small savings in our Union Territory, which was Rs. 168.38 crore in the year 2003 - 04, reduced to Rs. 136.61 crore in the year 2005 - 06 and further reduced to Rs.36.98 crore in the year 2006 - 07. It is understood that the trend is almost similar in other States / Union Territories. The loan against small savings collections form part of State Own Resources (SOR) to fund plan programmes of States / Union Territories. I am very happy to note that Ministry of Finance, Government of India restored some benefits allowed to some small savings scrips which would go a longway to improve our small savings collections in our Union Territory.

**28.** I am grateful to Government of India for allowing us to utilise CST collections as part of our own resources to fund plan schemes during the Tenth Plan. As a result, the Plan size was also stepped up considerably to take up many development projects in our Union Territory. But unfortunately, the Non-Plan grant to our Union Territory has remained almost static during

the last four years, though our commitment has increased manifold as a result of interest repayment on loan availed from Government of India, payment of DA instalments to Government servants etc. Though so far we managed the financial requirement from internal resources, now we are compelled to utilise reimbursement of CST collections to meet the additional requirement of funds under Non-Plan. As a result our plan size would go down sharply leaving a gap of Rs.150 to Rs.200 crores which is very huge as compared to our Plan size. I urge upon Hon'ble Prime Minister, Hon'ble Finance Minister and Deputy Chairman, Planning Commission to substantially increase the Non-Plan Gap grant and Normal Central Assistance to fund our plan programmes to maintain the present tempo of development. Alternatively, some relief against loan repayment could be considered. Our debt burden has increased to Rs. 2,181 crore by 30th November 2007, mainly due to loan against small savings collections, World Bank loan assistance for Tsunami reconstruction programme and loan from Government of India for funding our Plan and Non-Plan programmes. Except small savings loan, other loans may be treated as "one-time grant" to our Union Territory, thereby releasing enormous amount for funding our plan schemes. People of Puducherry will be highly grateful if favourable decision is taken on this matter.

I am thankful to Hon'ble Prime Minister for the opportunity given to me to express my views in this august forum.

**VANAKKAM !**