

Summary of Speech for Hon'ble Chief Minister, Punjab for NDC Meeting, New Delhi on 27/12/2012

Respected Prime Minister, Hon'ble Deputy Chairman Planning Commission, Esteemed Members of the National Development Council, Ladies and Gentlemen for convening the meeting of National Development Council for eliciting view of the state on the draft of 12th Five Year Plan.

2. The country has implemented 11 Five Year Plans and we are entering the 12th Five Year Plan. Eradication of poverty, Inclusive Growth Rate and Development of Human Resources have been the focus areas of all the plans. Even then large sections of population does not have access to quality education, health and water supply and sanitation. Our human development indices continue to be lower as compared to even our neighbours. As per the latest definition of poverty (per capita per day expenditure of Rs 26 and Rs 32 in rural and urban areas), 29.8% of the population continues to be below the poverty line. The current economic model has focused on higher growth and has resulted in inequalities and the gap between the rich and poor is widening.

12th plan outlay

3. The projected outlay for the 11th Plan was Rs 40616 crore against which the achievement to the extent of Rs 32705 crore i.e 81 %. Health, Power, Education and Social Welfare were the key sectors which received top priority during 11th Five Year Plan. The outlay for 12th Five Year Plan have been projected at Rs. 92000 crore, which is 127% higher than the 11th Five Year Plan.

Growth Rate

4. The economic growth in the state during the 11th plan period has been 6.74% against the target of 5.9%. The year-wise growth has been 9.05%, 5.85%, 6.29%, 6.81% and 5.68%.

5. The draft plan envisages an average growth rate of 8.2% for the country during the 12th plan period. This target would require the growth of atleast 9% during the last two years of the plan. As regards Punjab the target fixed for the 12th plan period is 6.4%. In spite of 6.74% growth during the 11th plan period, the state was one of the slowest growing state in the country. As per 12th plan projections of Government of India, the state has been given the target of 6.4% growth against 8.2% for the country as a whole. Stagnation in agriculture, problem of militancy and tax concessions to neighbouring states have contributed to slow economic growth in the state. Government of India will have to help the state in a big way in diversification of agriculture, promotion of industry in the state in order to assist the state in reaching near the national growth rate.

State Finances

6. Punjab share in central taxes has been declining over the years. Pay Commission recommendations, concessions to neighbouring states and prolonged militancy have put undue stress on the state finances resulting in increased borrowings. Government of India should waive entire small saving loan of Rs 22,222 crore. The committee for assisting the debt stressed states should be asked to give its recommendations.

Central Schemes

7. The state government is of the view that the centrally sponsored schemes do not serve desired purpose. The criteria for allocation of funds does not favour the developed states. There is no provision for maintenance of infrastructure already created. These schemes should be abolished and the states should be given their earmarked allocation as un-tied grants. States would be in better position to leverage their strength and to use funds according to their development needs.

State Disaster Relief Fund

8. Earlier the balance in the calamity relief fund at the end of five year plan period was utilized as a resource by the states for funding the next plan. However, Gol has now decided that these funds shall be treated as opening balance for the next five year plan. Gol should reconsider this issue and balance amount at the end of five year plan period may be made available to the states as a resource for the next year plan.

Agriculture

9. Poor economy of small and marginal farmers and farm indebtedness should be the major concern of policy planners. The minimum support price should be atleast equal to cost of production + 50% profit as recommended by the noted farm economist Dr. MS Swaminathan.

10. The state government has taken the following initiatives in order to diversify its cropping pattern –

- It has been decided to amend APMC Act, 1961 to provide for direct marketing and setting up of private markets. The state has also decided to review the tax structure on purchase of the produce of alternate crops.
- It has been decided to enact a new Contract Farming Act so as to regulate the contracts and make these enforceable.
- 5 citrus estates have been set up and new varieties of citrus fruits i.e. Daisy Tengerne and W. Murcott are being supplied to the farmers.
- The government has set up 2 agro juicing plants at Abohar and Hoshiarpur.

11. However the state on its own will not be able to achieve much in the area of diversification without strong support from Government of India. We suggest that the technology of mission for diversification of agriculture in green revolution areas on the lines of bringing green revolution to the Eastern India must be started. A sum of Rs. 5000 crore be earmarked during the 12th plan period for dissemination of latest technology and creation of necessary infrastructure for cultivation of alternate crops. Government of India is further requested –

- Even though Minimum Support Price is announced for as many as 25 agricultural commodities yet there are no effective procurement mechanism for crops other than wheat and paddy. It is therefore necessary that arrangement for procurement of alternate crops be made.
- For increasing the productivity of pulses, oilseeds and other alternate crops, research be stepped up by ICAR. PAU Ludhiana and GADVASU Ludhiana

has played a pioneer role in bringing revolution in the state. Therefore these two research universities should be liberally funded by Government of India.

- Animal Husbandry activities like dairy, poultry, piggery etc. should be treated on par with agriculture and the benefits of exemption from income tax; interest rate etc. available to agriculture sector should also be extended to these activities.
- The Cotton Corporation of India should step in and procure cotton from the state. Special markets be created for gradation and marketing of cotton. Special package for re-habilitation and capacity expansion for cooperative sugar mills should also be given to the state.
- For promoting growing of vegetables and fruits, there is need to set up collection centres with facilities like washing, cooling, grading and packaging. The plants for processing and increasing their shelf life also need to be set up.
- Pakistan should be persuaded to grant MFN status to India and all items of trade with Pakistan should allowed to be traded through land route Attari. At present, out of 6000 items, only 137 items can be traded through the land route.
- The state should be included in implementation of Intensive Dairy Development Programme which has been excluded on the plea that it was covered under Operation Flood. Since Operation Flood programme ended long back and Punjab has a huge potential for dairy development, therefore, the state should be covered under IDDP.

Rural Development

12. The state government has carried out socio-economic survey for the purpose of identification of BPL families. The state opposes any pre-determined ceiling on poverty figures and poverty alleviation schemes should help the people on the basis of deprivation score. Sanitation in rural areas i.e. construction of toilets etc. should be the main focus of Rural Development during the 12th Five Year Plan. We welcome the decision of Government of India to construct toilets under Nirmal Gram Abhiyan at the cost of Rs. 10,000. However this amount will be short of actual cost of construction of about Rs. 15000.

Irrigation

13. The state has two specific issues regarding project being funded under AIBP. Government of India has not sanctioned Rs. Rs 734 crore for modernizing of canals fed from river Satluj and Rs 614 crore for re-lining of Sirhind Feeder Project.

14. There is a proposal to establish National Irrigation Management Fund(NIMF) for assisting the states in operation and maintenance of irrigation infrastructure. However, this assistance is proposed to be linked to collection of water charges and establishment of Water Regulatory Authority. Similarly central assistance under AIBP is proposed to be increased from 25% to 50% for those states which fully implement the reform agenda set out under NIMF. The state government welcome the establishment of NIMF. However, the assistance from this fund should be based on the requirement of the states and the assistance from NIMF and under AIBP should not be linked to recovery of water charges and establishment of water regulatory authority which are within the domain of the state.

15. The State has submitted a project costing Rs 4128 crore for modernization/remodeling/renovation and extension of canals, deep tubewells, lining of water courses, cleaning of head works and repair of gates etc. to the Ministry of Water Resources for financial assistance under AIBP.

16. Another project costing Rs 3498 crore for management of ground water through resource conservation by way of laser leveling, underground pipe system, implementing on-farm practices, artificial recharge of ground water, construction of low cost dams, adoption of micro irrigation techniques and rain water harvesting has been submitted under National Food Security Mission to the Ministry of Water Resources for financial assistance. We seek early clearance of these two projects and funding under AIBP at the rate of 90% grant.

Power

17. 3 thermal power plants of 3920 MW capacity are likely to be commissioned between May, 2013 and May, 2014. However, Coal India Limited has expressed its inability to provide full coal linkage for these projects. Coal India Limited should be asked to enhance the coal linkage for these projects by 7.8 million tonnes per annum.

18. The Punjab Power Corporation intends to set up 1000 MW Gas based power plant at Ropar. It is requested that 4.5 MMSCMD (Million meter standard cubic meter per day) gas be allocated for this project by GAIL and the gas be made available at a rate around \$10 MMBTU.

INDUSTRY

19. The industrial scene in the state is dominated by small and medium enterprises which account for more than 95% of the total industrial units. During 11th plan, 10487 new units have come up with an investment of 17925 crore providing employment to 2,16,098 persons. During the last five years, 150 Mega projects of investment of Rs. 61932 crore were sanctioned and investment of Rs. 13087 crore has already been made. Another important achievement has been the commissioning of Rs. 21500 crore Refinery Project at Bathinda. This project will attract investment in petroleum based down stream industry.

20. The state in spite of availability of power and excellent infrastructure has locational disadvantage due to its landlocked location with a hostile border. Prolonged militancy and abolition of freight equalization policy for iron and coal and tax concessions to neighbouring states during the last decade have further contributed to decline in industrial investment. Some specific measures need to be taken during the next five year plan to rejuvenate and revive the industry in the state. We request –

- (i) Government of India has agreed to extend Delhi – Mumbai Industrial Corridor upto Ludhiana. This needs to be extended upto Amritsar.
- (ii) Eastern Freight Corridor from West Bengal to Delhi which has been extended upto Ludhiana should be extended upto Amritsar.
- (iii) There is potential for development of industrial parks for pharmaceuticals, auto parts, hand tools, sports and leather goods industry which have large concentration in the state. Government of India should provide assistance for development of such parks as is being done in the case of textile parks.

- (iv) Central Sector Investment in Punjab is only to the extent of about 1.5% of the total investment in the country. There has been no major investment in the state for past many years. Government of India may facilitate location of a major project such as Automobile Manufacturing Unit which will have large scale potential for ancillary development.
- (v) Punjab state should also be considered for allocation of one National Manufacturing Investment Zone and the criteria of minimum land requirement for eligibility under this scheme should also be based on the land availability in different states and should be left to the developer as per viability of the Zone.
- (vi) Punjab, which is primarily an agricultural and landlocked state, should be provided assistance for agro-processing industries. There is need to develop facilities for storage, cold chain, processing and marketing of agriculture produce.
- (vii) There is potential for development of IT and IT related industry in the state. Gol has laid down norms of minimum land requirement of 1000 hectares, 100 hectares, 40 hectare and 10 hectares for development of multi-product, product specific, ware house and IT SEZ respectively. Since there is a scarcity of land in Punjab, it is suggested that the land requirement criteria should be done away with, in the case of Punjab.
- (viii) Pakistan should be persuaded to grant MFN status to India. Indo-Pak trade has been liberalized by replacing the positive list with a negative list of 1209 items. Punjab has, however not benefited much from the new policy. Trade through the land route at Attari is permitted only for 137 items. It is requested that all items tradable with Pakistan be allowed to be traded through the land route at Attari.
- (ix) Rail link between Makhu in Ferozepur district and Patti in Tarn Taran district should be provided by Ministry of Railways link will reduce the distance between Amritsar to Bombay by 240 km and will help in decongesting the Delhi Rail route and unlock the business and tourist potential of the entire border region. It will also provide direct connectivity to Kandla Port.

21. There is acute shortage of mining and minerals i.e. sand, gravel, bajri, bricks etc. in the state. This is mainly on account of pending issue with Ministry of Environment & Forests. They are requested –

- MoEF is requested to grant environmental clearance for the 95 mining projects falling under category 'A'.
- The state authority be empowered to consider the environmental clearance of minor mineral projects irrespective of its area by amending the schedule to the said notification.
- All the minor mineral projects of the area less than 5 acres be considered under category B2 so that their environmental clearances could be processed in minimum possible time schedule.
- Minor mineral projects of ordinary earth and brick earth wherein depth of mining does not exceed 6 ft be exempted from obtaining environmental clearance.

- As per the general condition prescribed in the schedule to the EIA Notification, 2006 any project or activity specified in category 'B' will be treated as category 'A' if located in whole or in part within the 10 km from the inter-state boundaries and international boundaries. It is recommended that the aforesaid distance of 10 km be reduced to 1 km.

Transport

22. Punjab contributes about Rs 600 crore per year in terms of levy of cess of Rs. 1.5 per litre on diesel and petrol to Central Road Fund. However, the formula of allocation of funds under CRF was altered to the disadvantage of the state in the year 2010. As per earlier formula, the weightage was given to the states for area and fuel consumption in the ratio of 40:60, now this ratio has been changed to 70:30. Due to this change, the state has to bear loss upto 35% of the annual accrual. I would like to request that earlier formula for allocating funds may be restored.

Environment

23. Punjab Dyers Association has proposed to set up common effluent treatment plant in Ludhiana with an estimated cost of Rs 437 crore. Government of India is requested to finance this project to the extent of 50% and the remaining amount would be contributed by the state government and the industries.

Urban Local Government

- The Government of India should increase the scope of JNNURM in 12th plan, Mohali (Ajitgarh) which is a part of tricity of Chandighr should be covered under JNNURM.
- There should be special focus on providing civic amenities like Housing, Water Supply & Sewerage to slum areas.

Health

- Health was our top priority. 1327 doctors and 2900 para-medics were appointed during the last 4 years.
- IMR has shown sharp decline from 44 in 2006 to 30 in 2001 and MMR from 192 in 2004-06 to 172 in 2007-09.
- There is a need to sanction 513 new sub-centres as per latest 2011 Census. A sub-centre is meant for 5000 population and due to increase in population, new centres should be sanctioned.
- There is a need to cover urban areas under the National Urban Health Mission (NUHM). The matter has already been delayed by 5 years. Mission should be launched for urban areas.
- The insurance cover under Rashtriya Swasthya Bima Yojana should be increased from Rs. 30000 to Rs. 1.00 lac.
- Government of India should set up a Cancer Hospital in one of the southern regions of Punjab. The incidence of cancer has shown increase in the state.
- Government of India should set up start one medical college in every state during the 12th five year plan.

- Government of India should upgrade medical college at Patiala which is more than 60 years old.
- Government of India should also adopt or set up atleast one medical college in every state.

Education

- Education is centre area where the state has made very good progress during the 11th five year plan. More than 51000 teachers were recruited.
- The Education Development Index of the state jumped from 14th position among all the states in 2006-07 to 1st position among the major states in the year 2010-11.
- Government of India should assist the state in setting up a fully residential school at every district headquarter for meritorious students belonging to rural areas. It is necessary to ensure equal opportunity for poor meritorious students.
- The norms for upgradation of middle schools to secondary schools under Rashtriya Madhyamik Shiksha Abhiyan (RMSA) should be relaxed and the distance criteria of 5 km from the existing high school or senior secondary school should be reduced to 3 km, since adequate number of students available within a radius of 3 km.
- The construction work of Central University, Bathinda is yet to begin. The state government has made available 544 acres of land 3 years back. There has been no progress of the World Class University near Amritsar and Government of India is yet to finalize one of the sites offered by the state government.

Skill Development

- The skill development of the youth should be the major focus of the 12th five year plan. Government of India should finalize a policy for development of skill development centres. The state government has already finalized the sites for 247 centres out of the proposed 250 skill development centres in first phase.
- There are 43 unrepresented blocks, Government of India is requested to assist for the establishment of ITIs in these blocks.

Social Security

- The scope of National Social Assistance Programme (NSAP) is very limited. Only 2 lac beneficiaries belonging to BPL families are eligible for this programme whereas the number of pensioners under the state scheme is about 20 lac. Government of India should atleast bear 50% of expenditure for social security schemes
- We welcome the restructuring of Integrated Child Development Services and launch of centrally sponsored scheme for construction of anganwadi centres @ Rs. 4.50 lac per unit and Rs. 2000 per annum per centre for its maintenance.

Welfare of SCs & BCs

- Punjab has the highest SC population of 31% but no weightage is being given to this percentage under either Gadgil formula and the formula for devolution of central taxes under the 13th Finance Commission.
- No village in the state has been taken under Pradhan Mantri Adrash Gram Yojana, which was launched in 2009-10 for villages having more than 50% of Scheduled Caste population.

BADP

- There is a need for an industrial package in the border belt of the state. This prosperous region before participation has suffered a lot due to remote location and a hostile international border.
- There is 18,500 cultivable land across the border fence. Farmers face various hardships and they be compensated @ Rs. 10,000 per acre. They were earlier given compensation @ Rs. 2000 till 2001.

Conclusion

- From time immemorial has rendered yeoman services to the country for its defence and food security by devoting its precious resources.
- Given the geographical location and its allied burden, Punjab is facing a lot of problem beyond its control.
- I urge the Government of India to use its offices for addressing the various important issues highlighted by me.
- I comment the 12th Draft Five Year Plan for approval for approval of National Development Council.

JAI HIND