

TALKING POINTS - ANNUAL PLAN 2011-12

Respected

1. Let me first of all thank you for the opportunity to present the Plan Proposals for Punjab for the year 2011-2012.
2. You will be glad to know that there has been a healthy 37% increase in the state's own revenues over the past one year.
3. The state's plan performance in 2010-11 will be 98%. We are set to repeat this performance in the coming year also.
4. As against the 11th Plan target of 5.90%, the state's economy grew at
 - a. 2007-08 - 9.25%
 - b. 2008-09 - 6.55%
 - c. 2009-10 - 7.84%
 - d. 2010-11 - 7.78%

KEY AREAS

1. Our performance in all sectors has been outstanding, but I would like to focus on a few key areas. The rest of the details are spelt out in my speech distributed separately here.

Education

2. The state jumped from the 14th position to the 3rd in the Educational Development Index.

Health

3. Punjab was rated as "excellent" in the health sector in the Government of India's Common Revenue Mission of NRHM.

Agriculture

4. Punjab got the Best Performance Award under National Food Security Mission for wheat in 2008-09.

5. In power sector, we inherited a legacy of total generation of 6200 MWs in 2007. We have already increased it to 6900 MWs. Projects are under way to add 6560 MWs more. Efforts are also being made to add another 5850 MWs through other means.

DEBT

6. But despite our excellent all-round showing, the state's finances remain under strain due to the heavy legacy of debt which is inherited from the period of militancy when the state was directly under central rule. The annual interest burden alone for this debt is Rs. 6500 crore.

7. The state has also suffered in a big way due to the industrial concessions granted to the neighboring hill states. This has resulted in a flight of industry from the state. We request that these concessions should not be extended further or Punjab, being a border state, should also be given same concessions.

8. Another factor that has been straining the state's resources is the reduction of state's share in central taxes from 2.54 % to 1.39 %.

Central Schemes

9. The criteria for allocation of funds under major central schemes – AIBP, PMGSY, RKVY, NREGA, RGGVY etc. do not favour developed states. Major allocation for new works and no funds are given for maintenance of huge infrastructure created by the State.

Request

10. Since this debt was incurred in the process of fighting the nation's war, we request a comprehensive debt relief package in the form of a complete debt waiver.

- The Government of India Committee headed by Secretary Expenditure to assist the three States of Punjab, West Bengal and Kerala in getting out from the fiscal stress should be asked to submit its report immediately, the deadline of August, 2010 has already expired.
- States should be given choice between Small Savings Loans and Market Loans.
- Government of India should reduce interest rate on Small Savings Loans by 1.5% and bring it to market rates.
- Weightage be given for maintenance of infrastructure under important Central Sector Schemes.

I now come to the performance of the state in other sectors.

AGRICULTURE

Criterion for RKVY

- Present criteria unfavorable to agriculturally developed states like Punjab. 20% of funds are given for un-irrigated area and 30% of funds on the basis of increase in productivity. Punjab has hardly any un-irrigated area and has reached saturation limits as regards productivity.
- We urge the Government of India to include areas where subsoil water is declining within the ambit of un-irrigated area. Weightage should be given to maintenance and up-gradation of existing irrigation infrastructure and ensuring availability of power for agriculture.

Minimum Support Prices

MSP should be fixed as Dr Swaminathan formula, giving a profit margin of 50% over cost of production.

Inclusion in National Food Security Mission

- Only 10 districts are covered for wheat and no district for Rice. The entire state should be covered.

Outstanding Dues in Food procurement

- State procuring agencies incur about Rs 75 crore per month as interest due to non-recovery of Rs 7461 crore pending claims from GoI/FCI. This issue needs to be settled by FCI /GoI.

Agriculture Insurance

- Only three districts of Punjab are covered under the Modified National Agriculture Insurance Scheme. All districts should be covered.

Support to Universities

- Rs 100 crore should be given as permanent annual central

assistance to institutes of national significance, the Punjab Agricultural University, Ludhiana.

- Borlaugh Institute for South Asia for Maize and Wheat should be setup in Punjab.

Storage

The state needs 78 lac Metric Tonnes of long term storage capacity.

25 lac MT should be in the form of silos. We request GoI for financial assistance.

Rural Debt

It has risen to Rs. 35000 crore. We urge Government of India to waive off all agricultural loans as a one time measure regardless of the size of land holdings.

Rural Credit

- Credit should be given @ 4% rate of interest, (short as well as long term)
- NABARD should refinance CCBs at 2.5% interest rate.
- Quantum of refinance of NABARD should be enhanced from 45% to 75%.
- Withdrawal of Income Tax on Cooperative Banks.

Crop Damage Compensation

- Should be increased from Rs. 1600/- per acre to Rs. 15000/- per acre.

RURAL DEVELOPMENT

NREGA

(1) Scope of works should include -

- (i) Toilets for SC and BPL families,
- (ii) Lining of distributaries, minors, water courses,
- (iii) Boundary walls for Schools and hospitals
- (iv) White Washing of government buildings.

(2) Wage rates – The rates fixed for Punjab

- Rs. 130 for Amritsar,
- Rs. 124 for Jalandhar, Hoshiarpur and Shaheed Bhagat Singh Nagar,
- Rs. 100 for other 16 districts,

are extremely low as compared to Rs. 179 for the neighbouring state of Haryana, against Rs. 154 minimum wage rate of agricultural labourer in Punjab.

BPL families

- It is shocking that while the number of BPL families in Haryana is put at 15 lakhs, in Punjab the number is mere 4 lakhs. This is due to the faulty criterion for determining BPL. At present only 10% of the state's population is covered whereas the state has the highest percentage of SC population (29%).
- Pilot survey has been completed and sent to Government of India. GoI should formulate guidelines for a comprehensive survey of BPL families.

Rural Sanitation

- State would be spending Rs. 500 crore in the two years for construction of 5 lac rural toilets. State still needs around Rs. 1000 crore more for rural toilets.
- GoI scheme – Total sanitation allows only Rs. 1500 per toilet to BPL families. It is highly inadequate. This is highly critical area and every household must have a toilet. GoI should increase the financial assistance and cover all families not having toilets.

Houses for Houseless

- Scope of Indira Awaas Yojana inadequate and more funds @ Rs. 50,000 per house should be given.

IRRIGATION

- Canal capacity has gone down by about 30% and huge

dependence on ground water for irrigation purposes in the state. 27% irrigation from canal and 73% from tubewells.

- We are thankful to Planning Commission for investment clearance to Rs.734 crore project for extension, renovation and modernization of the canals from river Satluj.

Request

- Waiving of 1 for 1 criteria under AIBP. The works require closure of canals and the works are delayed.
- Construction of water courses - The limit of Rs. 15000/- per ha needs to be enhanced to Rs. 25000/- per ha under CADWM.
- New project - Rs. 3769 crore for modernization, remodeling of canals, deep tubewells, lining of water courses etc. submitted to Water Resources Ministry for approval. Needs to be expedited.

POWER

Request

- State government to be compensated from the Central Pool for supplying 380 MW for providing special lightning systems along the international border with Pakistan.
- Gas for 1000 MW gas based power plant at Ropar to be provided at control rates by GoI.

INDUSTRIAL DEVELOPMENT

Freight Corridor

- Government of India should extend Delhi – Mumbai Industrial Corridor (DMIC) up to Amritsar in Punjab and it should be linked with Western Freight Corridor. Eastern Freight Corridor should also be extended up to Amritsar.

Trade with Pakistan

- More items should be allowed to be traded through land route with Pakistan.

Agro Industries

- Punjab being primarily an agricultural state, there is lot of potential for agro based industries. We request for special package for agro based industries in the state.

Central Projects

- The share of central sector investment in the state is less than 1.5%. It is, therefore, requested that GOI should help in locating some leading Automobile Industry having potential for large scale ancillaries in Punjab.

RIVER CLEANING

- A project for Cleaning of Rivers Satluj, Beas and Ghaggar covering 33 towns costing Rs. 1028 crore submitted to GoI for sanction.
- We are thankful to GoI for approving the projects of 10 towns for Rs. 306 crore. GoI is requested to expedite the approval of projects for remaining 23 towns.

ROADS

CRF

- The old formula of giving 60% weightage to fuel consumption in the state and 40% to the geographical area should be restored instead of the present 30% and 70%.
- The State has to bear the loss upto 35% of the annual accrual. GoI is requested to approve Rs. 100 crore for pending works of CRF and clear the backlog of Rs. 93.61 crore as on 31.12.2010.

PMGSY

- Land costs are very high in the state and Government of India should either relax the width norm from 10 meter to 8.5 meter or bear the cost of land under PMGSY.

EDUCATION

Right to Education

- Right to Education is a central act and Government of India should share the cost of expenditure due to its implementation.

Model Schools

- GoI should allow at least one model school in every block.

Sarva Siksha Abhiyan

- 13th Finance Commission grants for elementary education should be allowed to be adjusted against state share under Sarva Siksha Abhiyan.

Upgradation of Schools

- For upgradation of schools from middle to secondary under Rastriya Madhmik Siksha Abhiyan, the condition of 5 km should be relaxed and population, rather than distance from existing school, should be made the criterion.

Kendriya Vidyalayas

- At present, there are only 14 Kendriya Vidyalayas and 6 districts are without such schools. We urge GoI to approve the opening of 6 more central schools in the remaining districts.

Colleges in Educationally Backward Districts

- 13 colleges under construction. GoI should sanction 2 more colleges at Moonak and Verka for the 2 newly carved out districts of Barnala and Tarn Taran.
- GoI assistance is limited to only 33% and should be increased to 66%.

World Class University

- GoI is requested to expedite the approval of Site Selection Committee for World Class University at Amritsar.

Central University

- Land for Central University at Bathinda acquired. We urge GoI to start construction.

HEALTH AND MEDICAL EDUCATION

Rashtriya Arogya Nidhi

- Scope of Rashtriya Arogya Nidhi should be increased from BPL families to families having income less than Rs. 30,000/- per

annum. All private hospitals can be allowed treatment at PGI rates.

Cancer Hospitals

- Government of India should set up a national level Super Specialty Diagnostic and Treatment Institute for CANCER.

Government Medical College at Patiala

- Government Medical College at Patiala may be covered under the next phase of Pradhan Mantri Swasthya Suraksha Yojna.

Regional Institute of Paramedical Science (RIPS), Chandigarh

- The State Government strongly demands that the proposed Regional Institute of Paramedical Science (RIPS), Chandigarh being set up by GoI should be located at Patiala, where the State Government is ready to provide 5 acres of land.

SCIENCE AND TECHNOLOGY

- Construction of buildings of National Agri - Food Bio-technology Institute, Institute of Nano Science and Technology & Bio-technology Park in Knowledge City, Mohali should be started.

BORDER AREA DEVELOPMENT

- Compensation should be given for farmers cultivating land on the other side of the fence @ Rs.10000/- acre for 18500 acres - Rs.19 crore.
- Providing water supply, sewerage and other amenities in 11 border towns - Rs. 134 crore.
- Industrial package for the border areas of the state at par with the package given to hilly states.
- More funds for flood protection works on river Ravi. Pakistan Government and Army spending huge funds on shifting of river Ravi towards Indian side. This is a national problem.

I request that Punjab being both the sword arm and the food basket of the country, in addition to being a sensitive border state should be given a special dispensation.