

# Government working to deliver on inclusive growth: President Patil

President Smt. Pratibha Devisingh Patil on February 22 said her government was working “single-mindedly” to deliver the promise of inclusive growth for the *aam aadmi* (common man), who had to be protected against the “ravages” of the economic crisis and the failure of the monsoon in mid 2009.

“Since assuming office in May 2009, my government has worked single-mindedly to build on the achievements of its earlier term to deliver the promise of faster and more inclusive growth,” the President Patil said, addressing the joint session of both houses of Parliament on the opening day of the Budget session. **Excerpts from her speech:**

“My government was voted to office with a clear cut mandate to protect and deepen the values of pluralism and secularism, and to ensure rapid growth with justice and fairness for all. Since assuming office in May 2009, my government has worked single-mindedly to build on the achievements of its earlier term to deliver the promise of faster and more inclusive growth. The *aam aadmi* was and is at the core of this promise; the *aam aadmi* had to be protected against the ravages of the worst ever global economic crisis since the Great Depression and against the failure of the monsoon in large parts of the country in mid-2009.

My government joined hands with the states to help the farmers in minimising the impact of this massive adversity. A sum of more than Rs. 40 billion has so far been allocated from the National Calamity Contingency Fund and the Calamity Relief Fund to the drought affected States. A Diesel Subsidy Scheme was introduced. Funds



President Smt. Pratibha Devisingh Patil

under Centrally Sponsored Schemes such as the Rashtriya Krishi Vikas Yojana, and the National Food Security Mission were permitted to be used to create agricultural infrastructure for facilitating crop specific strategies, to minimise loss in production due to drought. An amendment in the Mahatma Gandhi National Rural Employment Guarantee Scheme was made to allow water conservation works in the fields of small and marginal farmers as well. It was due to these efforts that the fall in food production could be contained to a large extent. Special efforts were made to ensure that rabi production was not affected.

My government continues to accord the highest importance to ensuring relief to the *aam aadmi* on food prices. Despite a significant increase in the procurement prices of food grains, central issue prices for purposes of public distribution have been kept constant since 2002. The import regime for essential commodities has been liberalised. Government has decided to release 3 million tonnes of wheat and rice in the open market over the next two months, and release 500,000 tonnes of wheat and 200,000

tonnes of rice through the National Agricultural Cooperative Marketing Federation and the National Cooperative Consumers' Federation and their affiliated cooperatives, to benefit consumers at the retail level. Government has also released an additional allocation of 3.6 million tonnes of wheat and rice for distribution to card holders over the months of January and February, 2010. This will be available to card holders over and above their normal allocations under the public distribution system. The scheme for subsidy on edible oils and pulses has been continued. State governments have been advised to ensure effective action at the state level through de-hoarding, and appropriate use of state agencies such as Civil Supplies Corporations for the procurement of non-PDS food articles in bulk. The imports of wheat and refined sugar have been further liberalised. Steps have been taken to strictly check the smuggling of sugar.

We now look forward confidently to further improvement in our growth performance in 2010-11. My government will aim at a growth rate above 8 percent in 2010-11 and seek to achieve 9 percent growth in 2011-12. We will concentrate on infrastructure development, agriculture and rural development, education and health and ensure that the growth process is adequately sensitive to the concerns and well being of the weaker sections of society. We will work to create an environment which encourages investments, including in Micro, Small, and Medium Enterprises.

Government remains vigilant against all forms of challenges posed by terrorism. Zero tolerance of terrorist activities is our principled policy.”

## Economic Survey HIGHLIGHTS

Encouraged by reforms and the strong macro-economic fundamentals, the Economic Survey has predicted that India would return to a high 9 percent growth in 2011-12 towards becoming the world's fastest growing economy in four years. The pre-budget Economic Survey (2009-10), presented by Finance Minister Pranab Mukherjee in Parliament, also recommended a “gradual rollback” of stimulus measures after assessing sectoral impact.

Projecting economic growth to touch up to 8.75 percent in 2010-11 and 9 percent in the next year, the Survey said: “It is entirely possible for India to move into the rarefied domain of double digit growth and even attempt to don the mantle” of the fastest growing economy in the world within the next four years.

### Some highlights:

- Outlook for India's trade sector in 2010 has brightened
- Bank credit to the commercial sector, shows revival since November 2009
- Proposal to double the target of rural houses to 12 million through the Indira Awaas Yojana in the next five years
- Employment increases by 500,000 in July-September quarter compared to first quarter of current fiscal
- Core industries, infrastructure services show recovery signs in the middle of overall industrial growth
- Gross domestic product expected to grow 8.25-8.75 percent in 2010-11
- Centre, states need to begin fiscal consolidation, cap debt levels
- Food subsidy should be given to households, instead of routing through public distribution system
- Poor families should be given food coupons to buy at discount from any shop
- Liberalise foreign investment norms in education, healthcare sectors
- Sustaining current levels of domestic petroleum prices not viable
- Expenditure restraint can help contain deficit at budgeted levels
- High inflation due to supply-side bottlenecks
- Growth in telecom to continue with monthly additions exceeding 17.6 million connections
- Share of central government expenditure on social services up by 19.46 percent in current fiscal
- Foreign exchange reserves rise to \$31.5 billion in current fiscal to \$283.5 billion till end December 2009
- Balance of payment situation improves due to surge in capital flows and rise in foreign exchange reserves, accompanied by rupee appreciation
- Total water in reservoirs 90.48 billion cubic metres, which is lower than the 10-year average

## No fare hike, 54 new trains in Railway Budget

Passengers were spared a fare hike, freight rates were cut for grain and kerosene, and 54 new trains proposed in India's \$17 billion railway budget for 2010-11 that also pushed for private capital to expand the world's second largest rail network under a single management.

“In the present economic situation, when the country is about to return to a high growth path, I do not wish to impose any burden on citizens,” Railway Minister Mamata Banerjee said, while presenting the Railway Budget on February 24.

### Some highlights

- Karmabhoomi trains to be introduced for migrant labour
- New Janmabhoomi train between Ahmedabad and Udhampur
- Special “Bharat Teertha” train to be run around India to commemorate Rabindranath Tagore's 150th birth anniversary



Minister for Railways Mamata Banerjee with the Railway Budget 2010-11, in New Delhi on February 23.

- Railway line to be extended from Bilaspur in Himachal Pradesh to Leh in Jammu and Kashmir
- Further extension of Kolkata Metro on priority basis; stations to be named after Bahadur Shah Zafar, Tagore family
- Andaman and Nicobar Islands to get railway line from Port Blair to Diglipur
- Sikkim capital Gangtok to be connected by rail from Rangpo
- Kashmir rail link to be extended to Sopore in the north of the valley

- Twenty-two million energy saving CFLs for lighting distributed already
- Policy decision to employ one member of family whose land is requisitioned for railway projects
- Construction of high-speed passenger rail corridors envisaged
- Educational facilities to be set up for children of 80,000 women families
- Insurance facilities for licensed porters as part of railway's corporate social responsibility
- Centre for railway research to be established with Indian Institutes of Technology and Defence Research and Development Organisation
- Design, development and testing centre for railway wheels at Bangalore
- Within five years, all unmanned level crossings to be manned
- Security of women passengers to be improved
- Cost-sharing in public-private-partnership (PPP) mode in some gauge-conversion projects