



**GOVERNMENT OF MANIPUR**

**SPEECH**

**OF**

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**IN THE**

**52<sup>ND</sup> NATIONAL DEVELOPMENT COUNCIL**

**MEETING**

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**Respected Prime Minister, Hon'ble Dy Chairman, Planning Commission, Hon'ble Union Ministers, esteemed Members, distinguished Invitees and Friends.**

It is indeed a great opportunity for me to participate in the 52<sup>nd</sup> meeting of the National Development Council which has been convened to consider the Draft Approach Paper to the Eleventh Five Year Plan and other important agenda. At the outset, I congratulate the Planning Commission for convening this 52<sup>nd</sup> NDC meeting on a matter of great national importance. We welcome and support the proposal for setting a growth target of 9% for the economy during the Eleventh Plan period. We also wholeheartedly endorse the proposed reduction of poverty and balanced regional development through a new vision based on faster, more broad-based and inclusive growth.

2. It is a matter of satisfaction to note that the Planning Commission under the aegis of Dr Montek Singh Ahluwalia., Deputy Chairman, Planning Commission has, for the first time, in the history of the plan era, made wide ranging consultations with all the State Govts by holding of regional consultations and brought out this well drafted Draft Approach Paper for the Eleventh Plan. This has given an opportunity to all the State Govts to air their views on the specific problems of each State Govt. As a result, special problems of North East could find a place in the Draft Approach Paper. This, I am sure will result in the realization of the long cherished aspirations of the people of North Eastern Region.

3. The Approach Paper to the 11<sup>th</sup> Five Year Plan has laid greater emphasis on accelerating agricultural growth, better water management and expansion of irrigation, industrial growth, creating employment in the services sector, improving of delivery system and infrastructure development and the importance of Public-Private Partnership (PPP) alternative. It has also brought out some of the major challenges faced by the nation besides touching upon all the important aspects of development including the importance of inclusive development. It envisages a growth rate co-relating its achievability to conditions which needs to be created. I assure that we shall certainly endeavor to work towards achieving the targeted growth rate and various objectives of the 11<sup>th</sup> Five Year Plan.

4. Sir, I am conscious that for a vast country like ours with various diversities, the process of economic planning for balanced growth is no easy task. The process of planning should, following the same pattern, aim at providing the need based development for each region in a manner that would strengthen national objectives. It is in this context that I would like to particularly mention a few special requirements in respect of Manipur which will may be met during the Eleventh Plan period.

5. The relatively backward North Eastern States including Manipur have not benefited under the Central Government liberalized policies. During the five year period of Eleventh Plan, administration and physical infrastructure needs to be strengthened to enable the North Eastern States to respond appropriately to the liberalized policy. Central

Government needs to evolve suitable mechanisms for directing investments into the less developed North eastern States.

6. It is gratifying to note that the industrial and service sector have recorded unprecedented growth. Anti poverty and employment oriented programmes have gained momentum and these should not only be sustained, but also vigorously implemented. Human Resource Development Programme have been given a new direction. This objective of integrating different activities within the human resources development sector encompassing health, education and other related sector will go a long way in developing human resources.

7. The shortfall in agriculture sector which can be attributed to various reasons including aberrant weather condition have restricted over all growth. The need of the hour is to gear up our efforts in expeditious completion of irrigation projects by providing adequate funds so that the required growth rate of 4.1% could be achieved during the 11<sup>th</sup> Plan. Towards this end, as a Member of this august body, I fully support the proposal to pull up the agriculture and allied sector, exercising all options available to us. The strategy outlined in the Draft Approach Paper is endorsed. The large agricultural potential especially that of horticulture in the North Eastern Region has remained unexploited. With proper planning and effective delivery systems, the hill areas of the North Eastern Region can flourish with orchard and plantation crops. The Draft Approach Paper, therefore, needs to provide a thrust to this important sector. The proposed strategy based on agro-climatic regional planning should, therefore, provide for focused and sustained attention to this region. Besides ensuring adequate and timely availability of a package of inputs including seeds, fertilizers and pesticides, the irrigation network, including minor irrigation, needs to be strengthened and expanded. Mechanization of farm sector in the North Eastern Region lags far behind than the rest of the country, due to a variety of reasons, the primary reason being inadequate credit availability. This needs to be addressed.

8. The optimization of existing irrigation capacity utilization through renovation and modernization of irrigation projects, expansion of irrigation facilities, effective harnessing Water and the operational strategy for the 11<sup>th</sup> Plan as outlined in approach paper is endorsed. However, in the context of the North Eastern Region, the Draft Approach Paper needs to take into account conservation of the eco-systems, and effective management of large water bodies like the Loktak Lake in Manipur, which sustains not only the Loktak Hydro Electric Project and a large population of fishermen but also provides sanctuary to some rare species of wild life. Minor and micro-irrigation systems are ideal largely for the hilly areas in the North Eastern Region. Special Central funding for completion of the ongoing major and medium irrigation projects are crucial for their timely completion and for optimizing use of the water resources. The Draft Approach Paper should appropriately incorporate special provisions in this regard for the resource-starved North Eastern States.

9. In respect of infrastructure development programme, road development assumes particular importance. There is a need for more extensive road network and improvement of the existing road especially for the North East. I may take this opportunity to mention that the density of road per 100 sq. km. of area in 2002 for the State was only 51.2 kms. as against 74.73 kms for all India average. This dismal

position is equally true in respect of most of the States in the North Eastern Region. While endorsing the operational strategy for the 11<sup>th</sup> Plan, it is suggested that for sustained and rapid road development in the N.E. Region as also for development of strategic and border area roads, the modalities for special Central funding should be clearly outlined. It is a fact that the resource-starved North Eastern States, with relatively low level of road density, cannot on their own ensure development of the Road Network system without special Central funding. The Special Accelerated Road Development Programme connecting all the State Capital and District Head Quarters for all North eastern States should be implemented by according it the status of a project of national importance.

10. In regard to development of human resource development, initiatives for the country as outlined in the Draft Approach Paper are fully endorsed. Besides, upgrading the skills of teachers, consolidation and improvement of the physical infrastructure, particularly at the school level, would require focused and sustained attention. The quality and reach of the Adult Education programmes needs to be catalysed through an intensive awareness campaign. In so far as the North Eastern States are concerned, a special emphasis needs to be given to Technical Education and Vocational Education. The capacities in the existing technical Institutes need to be expanded to meet the growing demands. In view of poor resource position, the funding pattern of all varying degree for all the Central Sponsored Schemes including SSA, MDM need to be revised to the ratio of 90:10 between the Centre and State for all the North Eastern States. While continuing its sustained effort to attract private investment in higher education, Central Govt should evolve a clear cut policy for development of higher education because of prevailing low level of infrastructure facilities in the NE States.

11. I agree with the assessment of the current problems of the health sector as outlined in the Draft Approach Paper of Eleventh Plan and endorse the operational strategy. In view of the extremely limited funds available for Health Care Services under the State Plan for the resource-starved North Eastern States, it is imperative to provide more funds for Centrally Sponsored Schemes for filling the gaps in manpower and infrastructure especially at the primary health care level. Similarly, ambulance services for catering to patients in the remote rural areas need to be strengthened. This need to be reflected appropriately in the Draft Approach Paper for the 11<sup>th</sup> Plan. The Draft Approach Paper further needs to give a thrust for improvement/upgradation of the O.P.D. and Emergency Services. Draft Approach Paper for the 11<sup>th</sup> Plan does not mention strategies, initiative and approach under the Major Disease Control Programmes. The Draft Approach Paper should provide for Central Government procurement and uninterrupted supply of essential drugs, vaccines and contraceptives in adequate quantity and appropriate in quality particularly for the smaller States.

12. The Initiative made in the Draft Approach Paper for Self Employment Generation Programmes is endorsed. It is suggested that more allocation be provided in the 11<sup>th</sup> Plan period for the North Eastern States in view of the limited resources available. The effort of the State Government already initiated for the creation of employment generation through special employment generation programmes

may be supported by providing appropriate funds, as it suits the local need. A special strategy may be evolved and incorporated in the Approach Paper of the 11<sup>th</sup> Plan.

13. Sir, a special mention may be made of the need for speedier completion of the railway projects taken up particularly in NE region. In the past, not much progress has been made, again largely due to paucity of funds. There is urgent need for the new lines to be laid to increase railway links for greater coverage and easy accessibility.

14. Similar is the picture in respect of requirement of energy and per capita consumption of energy. In respect of my State, we have to content with the availability of 108.3 MW as against the peak demand of 172 MW and a per capita consumption of energy of 106 Kwh for Manipur as against 360 Kwh for all India. In rural electrification, the situation is no better. In respect of industry, Manipur has recorded some progress under village and tiny industries. We could not however meet with much progress in respect of large and medium industries for reason best known to all. Unless the Central Government comes forward in this direction, States with their poor resource-base will have to forego the benefit of industrialization in the real sense of term. The Central Government should accord priority to establish area specific large and medium scale industries in State like Manipur. This will, apart from providing avenues for resource mobilization, also mitigate the unemployment problem to a considerable extent.

15. Through this august forum, I would like to draw attention of the Chairman to the fact that despite continued investment, there is not a single project in Manipur which generates income for the State of Manipur. There is no significant investment in Manipur byway of the Central Public Sector Undertakings or the Private Sector.

16. Having broadly covered the agenda items, I would like to draw your attention to certain other priority areas. Resource position of Manipur is dismal. It is a poor State and the population are mostly dependent on agriculture and with hardly any trade or industry. State expenditure has however grown from year to year. Expenditure on security forces has increased due to law and order problem. Due to Manipur's narrow resource base it has become extremely difficult for the State Government to meet its requirements. The Annual Plan allocations along with the non-plan funds are inadequate to meet the State Government's genuine needs. I would like to request that the Central Government come forward to supplement the resource gaps and to consider converting of long and medium term loan to grant.

17. The rapid development of Scheduled Caste and Scheduled Tribes has been uppermost in our minds. Much had been done in this direction but since nine-tenths of the area of Manipur is hilly and mainly inhabited by the tribals, the processes have been slow and more costly. Much more remains to be done. The new approach of developing Scheduled Tribes with supplemental provisions should be kept up. The State is prepared to take full advantage of this opportunity.

18. The State is far below than all India averages in almost all the indices of development. Larger investments are therefore necessary first to built up sustainable physical infrastructure to bring it up to the all-India averages and then to keep it

up to the development of the rest of the country.

19. From an investor's point of view, the North East is a sub-optimal option. The locational disadvantage and the highly unfavourable terrain impose high transportation cost which cannot be effectively offset through the usual package of economic incentives. This has been further aggravated by the problem of extremists activities in the region. The factors impeding the integration of the Region's economy with the domestic and foreign market far outweigh the integrating forces of liberalization and an open market economy. In this background, development of intra NE trade assumes significance. There is substantial variance and plurality in the culture and heritage of the people, endowment of resources, skills, types of outputs and production etc. The diversity could be exploited to promote intra state trade to offset the disproportionate transportation cost to a great extent. The region could be treated as an economic unit with its policies and markets made more integrated and area specific.

20. The distance and transportation considerations with the rest of the country have been accentuated by the lack of infrastructural development particularly in the areas of power, transport and communication. The normal government expenditure will not be able to cater to these requirements which require huge investments in the short as well as in the long run. This gap can only be filled up by a proactive role of the Financial Institutions for speedy development of the region. More favourable terms of investment will have to be offered to attract large investments in the infrastructure sector.

21. Most of the North Eastern States have long international border. These borders are porous and therefore, experienced a high scale of cross-border movement. The porous nature of the border also facilitates cross-border movement of the terrorist groups. It is therefore essential that effective border management is ensured.

22. The "Look East" Policy has been a path-breaking initiative of the Government of India. Indo-Asean Car Rally, which was flagged off by the Hon'ble Prime Minister in November, 2004 at Guwahati has acted as a catalyst in this regard. The strategic Cooperation Agreement signed between India and ASEAN envisages free trade with these countries from 2006 onwards. This augurs well for the economic prosperity of people of North East Region, especially Manipur State.

23. With the change in the funding pattern of the Government of India from the current year, loan amount of 10% are generated from the open market. The funding pattern of the State Govt may not permit it to raise resources from the open market and the burden would therefore fall upon the States. The North Eastern States would not be in a position to obtain loans for the State plan projects as it is already burdened with the resources to be generated for funding the State Plan. We therefore request the GOI to provide all the funds to State in the form of 100% grants.

24. It is also appropriate that this meeting will deal exclusively with economic and developmental issues. The people of North East have high expectations for

the development of the areas under your able leadership.

25. With these observations, I fully endorse the views in the Draft Approach Paper. It is my hope, and the hope of the people of Manipur that the cherished goal of a welfare society, to which the nation has pledged, will be achieved.

**Thank You Sir.**