



GOVERNMENT OF MANIPUR

SPEECH
OF
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IN
THE 54TH MEETING OF
THE NATIONAL DEVELOPMENT COUNCIL

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NEW DELHI

Respected Prime Minister, Hon'ble Dy Chairman, Planning Commission, Hon'ble Union Ministers, my colleague Chief Ministers, esteemed Members, Central and State Government officials, distinguished Invitees and Friends.

It is indeed a privilege for me to be part of this 54th Meeting of the National Development Council which has been convened today to approve the draft Eleventh Five Year Plan. At the outset, I congratulate the Planning Commission for coming out with a well drafted & focused Draft Five year Plan (2007-2012) for approval of National Development Council.

2. Sir, we wholeheartedly endorse the target of 9% average growth for the period 2007 to 2012 and the proposed reduction of poverty and balanced regional development based on the approach towards faster and more inclusive growth during the 11th Plan period. We are in total agreement with the Plan Document on identified monitorable socio-economic targets for enhancement of human well being during the Eleventh Plan period. We also share the development strategies adopted for growth of agriculture, rural development and economic infrastructure sectors. The fulfillment of these objectives, with dedication, coordination, understanding and mutual cooperation, will take the entire country to a higher level. The Draft Eleventh Plan Document which also address the two primary challenges facing the country, more particularly the North Eastern Region - security and development - is thus not only welcome but a firm step towards peace and progress.

3. For achieving an annual growth rate of 9% in the 11th Plan and to double the per capita income in 10 years, we will have to work hard, and firm decisions will need to be taken. It is imperative to achieve the growth rate at the desired level for the backward states in the NE States. Apart from ensuring faster & more inclusive growth of the economy and accelerate growth rate, increase and active participation of people especially those belonging to the poor section should be ensured. I assure my full support in the effort made by the Central Government.

4. With regard to the developmental issues, it needs to be emphasized that most of the North-Eastern States were created on political considerations and not on grounds of economic sustainability. This is obvious from the size of most of the States and their limited resource generating capacity.

5. Sir, I am conscious that for a vast country like ours where diversities of various sorts are woven into unity, the process of economic planning for a balance 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 the national objectives. It is in this context that I would like to particularly mention a few special requirements in respect of Manipur which will have to be met during the Eleventh Plan period.

6. Sir, the relatively backward North Eastern States including Manipur have not benefited under the Central Government's

liberalized policy. 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 liberalization policy. Central Government needs to consider suitable mechanisms for directing investments into the less developed North Eastern States.

7. 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 it should not only be sustained but also move vigorously implemented. The target for reducing poverty by 10 percentage points during 11th Plan period is certainly a positive steps towards ensuring inclusive growth in the country. Human Resource Development programme have been given a new direction. This objective of integrating different activities within human resources development sector encompassing health, education and other related sector will go a long way in developing human resources. The decisions for increasing the allocation for education from 7.7% of the total gross budgetary support during 10th Plan to 19.4% during 11th Plan in the full Planning Commission meeting held on 13th September, 2007 is indeed a good step.

8. Sir, the deceleration in agriculture sector has retarded the overall growth rate of 8% during the 10th Plan period. This should, however, not erode our self-confidence since our economy has proved to be resilient enough. 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 modest growth rate of 4.1% could be achieved during the 11th 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 whatever necessary, all options available to us. The 53rd NDC meeting held on 29th May, 2007 exclusively to discuss the problems of and related sectors is laudable and resolutions adopted in the meeting need to be pursued vigorously.

9. In respect of infrastructure development programme, road development assumes particular importance. There is need for more extensive road network and improvement of the existing road especially for the North East. The road density of Manipur in 2002 was only 51.2 kms. as against the all India average of 74.73 kms. This dismal position is equally true in respect of most of the States of the North Eastern Region. Poor connectivity is one of the root causes of near absence of industrialization and high cost of production making it near impossible for us to export most products. In order to achieve sustained and rapid road development in the N.E. Region including the 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 Capitals and District Head Quarters of all North Eastern

States should be implemented by according the project the status of national importance.

10. 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 both 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.

11. The initiative for generating new employment opportunities and reduce unemployment among educated persons to less than 5% during the 11th Plan period is fully endorsed in view of the high endemic unemployment problems facing the State. The State has about 6 lakhs educated unemployment against a total population of 23 lakhs representing 26% which indeed is a very alarming situation. The decision taken by the Central Government for coverage of all districts under NREGS from 2008-09 is a bold decision. It is suggested that more allocation be provided in the 11th Plan period for the North Eastern States in view of the limited resources available. The effort of the State Government for the creation of employment generation through special employment generation programmes may be supported by providing funds as suitable to local need.

12. Sir, a special mention may be made of the need for speedier completion of the railway projects taken up particularly in NE region. The construction of railway line from Jiribam to Tupul need to be accelerated to complete it on schedule. Similarly, the proposal for extension of railway line from Tupul to Imphal also needs to be finalised.

13. The energy picture of my State is still dismal with a per capital consumption of 106 kwh as against the all India average of 360 kwh. We have to struggle with the availability of 108.3 MW as against the peak demand of 172 MW. In rural electrification, the situation is no better. In respect of industry, Manipur has recorded some progress only under village and tiny industries with hardly any progress in large and medium industries. Unless the Central Government comes forward in this direction, we will have to forego the benefit of industrialization in the real sense of term. The Central Govt should accord priority to establish area specific large and medium scale industries in States like Manipur. This will, apart from providing avenues for resource mobilization, also mitigate the unemployment problem to a considerable extent.

14. Manipur State as a whole lags behind other States in terms of economic development, on the other hand, within Manipur itself, there is large disparity in development among different districts. The development of road-network, electricity supply system, banking facilities, telecommunication facilities, etc are much below the

national average. Some of the special problems of the State include jhoom cultivation, high cost of transportation of construction materials, lack of banking facilities, etc.

15. The transportation of foodgrains and other essential commodities to the State is mainly through torturous NH-39 passing through the State of Nagaland. It is well known fact that the law and order situation in the North Eastern States has been affected by the movement of various insurgent groups and further aggravated by frequent occurrence of land slides leading to total blockade of roads for days together. It is further aggravated by bunds, strikes and illegal taxes collected at Dimapur affecting the prices of essential commodities and other goods and commodities.

16. The construction of FCI godown at Jiribam has been completed some time ago but the FCI has not yet started stocking of foodgrains till date. If the FCI starts stocking of foodgrains at Jiribam Depot, foodgrains and essential commodities can be transported through NH-53 Jiribam-Imphal roads. It will reduce the problems faced by the State.

17. Through this august forum, I would like to draw attention of the Chairman to the fact that despite continued investment, there is no significant investment in Manipur by way of any Central Public Sector Undertaking.

18. In fact the Central Government needs to undertake a comprehensive review of the financial constraints hampering almost all states in the region. There is no doubt that Central assistance has been extended. However, there is a need to transit from crisis management to a system based on a realistic assessment of ground realities and the region's resource generating capacity.

19. Infrastructure deficiencies should also be addressed on priority since they substantially impede investment, trade and commerce and add to the geographical isolation of the region from the mainland. The creation of a separate Ministry of Development of the North Eastern Region which seeks to accelerate the development of infrastructure in this region through funding from the Non-Lapsable Central Pool of Resources is a welcome initiative. However, the annual budget for the Ministry of DoNER and specially the NEC does not appear to be adequate, given the infrastructure requirements of the States of the region.

20. The resource position of Manipur is known. The state mostly depends on agriculture with hardly any trade or industry from which funds could be raised. The expenditure has grown from year to year. Expenditure on security has specially increased. Due to Manipur's narrow resource base it has become extremely difficult for the State Government to meet its requirements. The Annual Plan allocation along with the non-plan funds is inadequate to meet the State Government's genuine needs. I would like to request the Central Government to come forward to supplement these resource gaps and

to consider converting of long and medium term loans as one time grants.

21. 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 inhabited by various tribes is hilly, the processes have been slow and 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.

22. The State is far below the all India averages in almost all the fields of development. Larger investments are therefore necessary first to establish sustainable physical infrastructure to keep it closer if not up to the development of the rest of the country.

23. From an investor's point of view, the North East is a sub-optimal option. The locational disadvantage and the highly unfavourable terrain with long rainy season impose steep transportation costs which cannot be effectively offset through the usual package of economic incentives. This has been further accentuated by the widespread extremists activities in the region. The factors impeding the integration of the Region's economy with the domestic and foreign market far weigh the integrating forces of liberalization and 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.

24. 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.

25. Most of the North East State have long international border. These borders are porous and therefore, experience 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.

26. The “Look East” Policy has been a path-breaking initiative of the Government of India. This augurs well for the economic prosperity of the people of North East Region, especially Manipur State. The recent initiative made by the Ministry of DoNER and Ministry of External Affairs in organizing a meeting of all the Ministries of the

Government of India and Chief Ministers of NE States is a welcome step towards operationalisation of the Look East Policy. It is my hope that the suggestions put forth by different Chief Ministers in the meeting will be well taken and implemented in letter and spirit.

Thank You Sir.