



GOVERNMENT OF ORISSA

SPEECH OF

SHRI JUGAL KISHORE PATNAIK

FINANCE MINISTER, ORISSA.

*PRESENTING THE BUDGET ESTIMATES
FOR THE YEAR 1987-88*

TO THE ORISSA LEGISLATIVE ASSEMBLY

MARCH 5, 1987

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Mr. SPEAKER

Sir,

I rise to present before this august House the Revised Estimates for the current financial year and the Budget Estimates for the fiscal '87. On this occasion I wish to extend my warm greetings to the Hon'ble Members of this House.

2. Briefly the revised estimates place the total receipts of the State Government for the current financial year at Rs. 3,315.19 crores and the total disbursements at Rs. 3,351.21 crores. The year's transactions would leave an uncovered deficit of Rs. 12.10 crores after adjusting the opening cash balance of Rs. 23.92 crores. This deficit which at the Budget stage was anticipated to be a surplus of Rs. 13.12 crores is mainly attributable to higher

allocations in the State Plan at the first and the second supplementary stages and some erosion in the State's own resources.

2.1. The Budget Estimates for the fiscal '87 envisage a total receipt of Rs. 3,434.26 crores and a total outgo of Rs. 3,434.26 crores. Thus the year's transactions would even out and the opening deficit of Rs. 12.10 crores would be the closing deficit for the next financial year. Details of the Budget mathematics showing the transactions in the consolidated fund, the contingency fund and the public account of the State Government are portrayed in Statement-I appended to my speech.

3. Hon'ble Members are aware that since 1980 the resolve of our Government has been to adopt and implement a package of growth-oriented policies which would enable the State to move rapidly forward along the path of social progress and economic prosperity. A quickening of pace has manifested in almost all segments of the State's economy. The average annual compound growth rate of the State's net domestic product up to the end of the Sixth Plan has registered a perceptible uptrend when compared to the national average growth rate of 5.3 per cent. The trend

continues to be encouraging and the target growth rate of 6.1 per cent is expected to be achieved and sustained during the Seventh Plan period.

4. Thanks to the efforts of our Chief Minister, we have been able to secure a significant increase of Rs. 150.00 crores in the Annual Plan outlay for 1987-88. This magnitude of increase is the second highest among the State Plan outlays in the whole country. Hon'ble Members may at this point be having a feeling of concern about the manner of funding of such a large and impressive outlay. I am glad to announce that I do not propose to burden the people of Orissa with any new taxation measures for raising resources for the next year's Plan. Required additional resources are proposed to be mopped up by way of depositing in the Provident Fund, a portion of dearness allowance due to State Government employees and others in course of the next financial year, group insurance deposits, greater efficiency in the administration of existing tax and non-tax laws, higher market borrowing and higher quantum of Central assistance. Hon'ble Members may kindly notice that while the step up in the Plan outlay, that is, developmental expenditure is of the order of 24 per cent for the next financial year, the growth

in non-Plan expenditure does not exceed the usual trend of 6·5 per cent. Performance of the State both in physical and financial terms in the first two years of the Seventh Plan and management of its finances have also assisted us in persuading the Planning Commission for a Plan outlay of Rs. 750·00 crores during the year 1987-88. The scheme of financing this outlay of Rs. 750·00 crores is indicated in Statement-II appended to my speech. The sectoral allocation of the State Plan provision is, as follows :—

	(Rs. in crores)
(1) Agriculture and Allied Services.	71·96
(2) Rural Development ..	47·18
(3) Irrigation and Flood Control.	193·13
(4) Power and Renewable energy.	185·57
(5) Industries and Minerals	44·92
(6) Transport ..	47·59
(7) Scientific Services ..	1·05
(8) Social Welfare ..	129·21
(9) General Economic Services.	12·65
(10) General Services ..	16·74
Total	<u>750·00</u>

4.1. Of the above outlay, provision made in the State Budget is Rs. 679.13 crores. The balance of Rs. 70.87 crores comprises the plan of the State Electricity Board at Rs. 61.17 crores, the plan of the Orissa State Road Transport Corporation at Rs. 7.58 crores and the plan of Urban Local Bodies at Rs. 2.12 crores. The outlay of Rs. 679.13 crores includes a provision of Rs. 25.26 crores for upgradation of the standards of administration in the State. Special Central assistance of Rs. 24.24 crores is expected during 1987-88 for tribal development programmes. Another sum of Rs. 1.37 crores would be available from the E. S. I. and the UNICEF. The Central and Centrally sponsored plan schemes aggregate to Rs. 192.09 crores. Thus the total outlay in the State Budget for various programmes in the State Plan and the Central and Centrally sponsored plans would be of the order of Rs. 896.83 crores.

5. I will now touch upon some of the major programmes in the different sectors of development.

Agriculture

6. Economic activities in the agricultural sector generate incomes for a vast majority of rural households in our State. Programmes in this sector aim at increased production and productivity. Extension of

crop area, introduction of improved agricultural implements, greater use of high yielding varieties of seeds, fertilizers and pesticides and more effective utilisation of irrigation facilities are some of the means for achieving the goals in this sector.

6.1. Foodgrains production in the current year is estimated at 73.99 lakh tonnes. The target for 1987-88 has been kept at 78.50 lakh tonnes, an increase of nearly 4.5 lakh tonnes. Output of oil-seeds is estimated to be of the order of 9.38 lakh tonnes and sugar-cane at 38.50 lakh tonnes during 1987-88. Production of pulses taken up under the new scheme—National Pulses Development Programme—is expected to register significant gains. "Development of Soyabin" a new centrally sponsored scheme is proposed to be taken up in tribal areas during 1987-88.

Soil Conservation.

6.2. Soil conservation programmes including those under D. P. A. P. in the districts of Phulbani, Balangir, Kalahandi and Sambalpur would continue to concentrate on construction of water harvesting structures, contour bunding and extensive plantation. 17,000 hectares of land are proposed to be covered next year under different soil conservation measures. A new Command Area Development Agency is

proposed to be set up at Malkangiri in Koraput district for the Potteru-Satiguda Irrigation Project.

Co-operatives.

6.3. Consumption of fertilizers which was hovering around an average of 14.8 Kgs. per hectare is likely to reach a level of 19.84 Kgs. per hectare in course of the next year. To support agricultural operations co-operative credit net work has a programme of disbursing short-term loans of Rs. 106.00 crores and medium term loans of Rs. 20.00 crores during 1987-88. Co-operative outlets in the public distribution system are to be extended to cover remote and hilly areas and take up hat sales of essential commodities for the benefit of weaker and vulnerable groups of people.

Animal Husbandry.

6.4. Most of the programmes in the Animal Husbandry sector are intended to assist beneficiaries under the anti-poverty schemes. One of the major components of this scheme is supply of quality animals at low cost. Besides the districts of Balangir, Koraput and Phulbani, frozen semen technology for intensifying cross breeding and production of quality animals would be provided in 1987-88 in the districts of Sambalpur and Sundargarh. The Utkal Gomangal Samiti has programmed to set up three new heifer rearing farms at

Angul, Tirtol and Pipili. The heifer rearing farms which are already functional in the State along with the three more new units would be capable of supplying 2,000 milch cows/buffaloes every year for E. R. R. P. and I. R. D. P. beneficiaries. Dairy complexes have been programmed for being set up in the districts of Kalahandi, Ganjam and Dhenkanal.

Fishery

6.5. Fishery development in the State, both marine and inland, aim at augmenting production and consumption of fish with the aid and assistance of a number of schemes. Hatcheries under construction at Binika, Chiplima, Sarmanga and Bhanjanagar would become serviceable in course of the next financial year. Schemes have also been developed for promoting pisciculture in additional 2,400 hectares of water area ponds and for distribution of 15 crore fish seeds. Training programme would be organised for 2,400 fish farmers for upgrading their skill. Infrastructure facilities are being provided at Paradeep, Gopalpur and Nuagarh for expanding fishing activities. The Fish Farmers' Development Agencies and Brackish-water Fisheries Development Agencies would be covering a larger number of individual beneficiaries. Welfare programmes intended

for fishermen are—Accident Insurance Coverage, a Saving-cum-Relief Fund, provision of housing and drinking water-supply.

Land Reforms and Consolidation.

6.6. Our schemes for distribution of house sites to homesteadless families and ceiling surplus agricultural land and Government waste land have registered notable success. 20,000 more families in addition to 1.08 lakh families already covered would be the beneficiaries next year under the house sites distribution programme. 5.12 lakh families of which more than 70 per cent belong to scheduled caste and scheduled tribe categories have so far benefited under the scheme of distribution of ceiling surplus and Government waste land. Consolidation of holdings would be taken up and completed in an additional one lakh hectares during 1987-88.

Forest

6.7. The accent in forestry programmes is on enlarging coverage under forests. Allocations available under the Central Plan, Centrally Sponsored Plan and externally aided projects would enable a larger effort in the coming year. Plantation would be taken up next year in more than 34,000 hectares. 5,000 hectares would be rehabilitated and 2.10 crore seedlings would be distributed. Another supplemental

effort would be under the F. F. R. P. Scheme (Forest Farming for Rural Poor) which involve plantation and rehabilitation of more than 24,000 hectares and distribution of 1.8 crore seedlings.

Industries

7. All sections of entrepreneurs, both inside and outside the State, have appreciated the efforts of the State Government and its policies in bringing about a sea-change in the industrial environment of the State. Open house discussions have been initiated to identify and remove, where necessary, the constraints which are being faced by industrialists from time to time. Greater emphasis has been laid on the Industrial Policy for attracting investment to sophisticated industries like electronics, computers, electrical goods, drugs and pharmaceuticals, chemicals, plastics and polymers. Ancillarisation, identification of downstream industries and rehabilitation of sick units are some of the other activities which would continue to receive due attention. Development of infrastructure for industries in the three no-industries districts of Balasore, Balangir and Phulbani is making progress. Small-scale industries have played a major role in generating employment opportunities in the industrial sector. In the first two years of the Seventh Plan, employment potential in this area has been created for more than 30,000

persons. In the coming year, 3,300 Small-scale units with an estimated outlay of more than Rs. 56 crores are likely to be set up. Similarly, artisan based industries have generated employment for 2.39 lakh persons during the first two years of the Seventh Plan and the programme for the next year is 75,000 artisan units with an estimated investment exceeding Rs. 37 crores. Some large and medium projects under implementation in the State with IPICOL's assistance are likely to be commissioned in course of the next year.

7.1. Metallurgy, mining and chemical engineering are some of the disciplines for which intake capacity in the Engineering Colleges is proposed to be augmented. Instrumentation engineering would be available next year as a subject in the Regional Engineering College at Rourkela and the Engineering College at Burla. Diploma and Post-Diploma courses in computer application are proposed to be introduced in the Polytechnic for women at Rourkela, the Engineering College of O. U. A. T. at Bhubaneswar and the Engineering College at Sarang.

Mining

7.2. Mineral production in the State has attained a all time high of 19 million tonnes during the current financial year.

Prospects for the next financial year appear to be equally encouraging. Beneficiation of chrome ore and manufacture of polished granite tiles for domestic as well as export markets are some of the projects under active consideration for utilising mineral raw materials. Charge chrome produced by OMC Alloys is in the process of being exported to foreign destinations.

**Irrigation
and Flood
Control.**

8. Greater spread of irrigation and greater output of energy have always been viewed as the two crucial inputs for accelerating the economic transformation of any region. Investment in these two areas during 1987-88 would be of the order of Rs. 378.70 crores. Major, medium and minor irrigation projects would provide additional irrigation benefit to more than 46,000 hectares in khariff and more than 30,000 hectares in rabi during the next financial year. Lift irrigation points are expected to create an additional irrigation potential of 24,000 hectares during 1987-88. 19 new flood protection schemes would be taken up next year and spillover schemes would be completed.

Power

8.1. By the end of 1985-86, the installed power generation capacity in the State was 1234 megawatts and the firm power capacity improved from 524 M. W. to 584 M. W. To meet the growing need of

