

Hon'ble Speaker Sir,

I am thankful to all for this opportunity, as a representative of glorious Gujarat, to present the budget before this august House. I feel honoured to perform this duty once again. This is indeed a proud moment for me. Frankly speaking, being in the midst of history being made, we must be justifiably proud of the unprecedented vigour and development of Gujarat under the efficient and visionary leadership of our Hon'ble Chief Minister. The people of Gujarat have overcome stiff challenges, hurdles and even disappointments to achieve things that are beyond imagination, and which have been recognized not only in India, but even by the world.

Given the federal nature of the Constitution of India, and keeping in view the Centre-State fiscal architecture, it may be beneficial for states to plan while keeping in view the policies and schemes of the Centre. Since the present government at the Centre is going to present a Vote on Account, instead of a regular budget, and the modified budget would be presented by the newly formed government subsequently, at this stage, only assumptions can be made in respect of Centre's policies. A developed state like Gujarat needs to factor in the planning and schemes of the Central Government minutely. Under these circumstances, our government is presenting a Vote on Account with a clear belief that Gujarat must prepare its budget only after the budget is presented by the newly formed Government at the Centre.

Despite the recent downward trend in the economy, Gujarat's vibrancy has showcased its strengths to the entire world. Along with other countries of the world, India is also passing through an unprecedented slowdown. In this weak, negative and gloomy economic scenario, Gujarat, with its unique strategy and proactive policies, stands out as an island of prosperity. The development model of Gujarat has successfully addressed the challenges on this account and we have come out on top.

As against the Tenth Five Year Plan target of 8% economic growth, the nation has achieved a growth of 7.8%, whereas against the target of 10.2% economic growth, Gujarat has achieved a growth rate of 10.86% for the same 5-year period. In the Eleventh Five Year Plan, a target economic growth rate of 9% has been envisaged for the nation. Gujarat has a target of 11.2% growth rate for the Eleventh Plan. In line with the rapid economic development of the State, during the first year (i.e. 2007-08) of the Eleventh Five Year Plan, while the Nation could achieve a rate of growth 9%, Gujarat's estimated growth for the period is 12.79%. This reflects the rapid economic development of Gujarat, which is ahead, not only compared to the growth rate of the nation, but also amongst the growth rates of other states. Even in the growth rate achieved by the nation as a whole, Gujarat has contributed significantly. Given such outstanding achievements, Gujarat's confidence has strengthened further, even in the times of economic slowdown.

The benefits of a developing economy should reach the common man in the form of better employment opportunities and even in this sector too, Gujarat has attained noteworthy achievements. Gujarat has contributed more than 50 % in the rate of employment generation of the nation. Gujarat has provided employment to one lakh ninety one thousand youth in the year 2007, and two lakh twenty six thousand in the year 2008. According to reports of the last five years published by the Ministry of Labour, Government of India, Gujarat stands first in employment generation as well as in terms of total employment generation of India, where its contribution alone is 55%. The primary reason for the accelerated industrial development of Gujarat is its peaceful and harmonious atmosphere in the industry sector. The State is in the forefront of the nation in maintaining such an atmosphere.

It is the aspiration of every Indian and every Government that the 21st Century becomes the Century of India and the Central Government is no exception. But, unfortunately India stands at 132nd rank in the

world in the Human Development Index (HDI). To address this situation, concrete measures should have been taken immediately after independence. However, such proactive good governance has not been done till years. Since Gujarat cannot wait for others to take initiatives, the State Government has taken up the mission to improve the standard of living of the common people. As this Vote on Account is presented, due priority has been given to pure *air, water and food*; education, health and housing. We want to go further in this direction with greater confidence, and Van Bandhu Kalyan Yojana, Sagarkhedu Yojana, or Shaheri Garib Samruddhi Yojana are examples where government's initiative has yielded positive results.

Gujarat has hitherto been known as a state of trade and commerce, but gradually it has developed into an industrially developed state. Gujarat is progressive not only in industrial development, but has also achieved remarkable success in agriculture and service sectors like tourism. Government has succeeded in the agriculture, horticulture and animal husbandry sectors due to the priority given to farmers, particularly those of the weaker sections. Our visionary Hon'ble Chief Minister has made the state a pioneer in the field of agricultural development, by organizing the Annual Krushi Mahotsav since last five years, integrating water storage, water irrigation and modern scientific farming. As a result, the agricultural production of the State has increased to Rs 48,070 crore in the year 2007-08 which is a remarkable achievement. A second green revolution is taking place by coordinating government assistance and people's participation for drip and sprinkler irrigation in our state which faces shortage of conventional sources of water. As a result, Gujarat has become one of the leading states with an agricultural growth rate of 14 percent in the country.

There was a time when Vapi-Ankleshwar Golden Corridor was used to showcase the industrial development of the State, when the industries were spread across the State. From this stage, Gujarat has

started its march towards development and success has been achieved in industrial development by setting up of industrial estates through the Gujarat Industrial Development Corporation. Thereafter, the State has taken prompt action to set up Special Economic Zones (SEZ) and today permissions for setting up about 60 SEZs have been given. Gujarat has taken the lead in making progress in the industries sector by setting up of Special Investment Regions (SIR) in the State. One who understands development can easily see the difference between scattered factories on the one hand, and the large investment regions of industries spread over thousands of acres, on the other.

In infrastructural facilities, Gujarat has not got its due in the matter of improvement of the condition of national highways. No new national highway has been granted to Gujarat. However, it is making its best efforts to make progress in its march towards development. As a part of this strategy, steps have been taken to provide roads to the tribal pockets located in forests. Population located in these interior areas, who have been craving for facilities to link their villages since 60 years of the independence, will also become active participants in the State's *Vikas Yatra*. For the comprehensive development of the State, connecting village roads to the national highways is necessary. Government has given priority to this work. The work of connecting villages with approach roads, which turn into virtual islands during monsoon, has also been initiated. Work of upgradation of existing roads into four lane and six lane roads has been initiated wherever traffic is increasing.

Water is a very important element in life, whether it is drinking water or meant for irrigation. Several irrigation schemes of more than one state have been given the status of national projects. However, the Sardar Sarovar Project has been denied of such a status. If we are assured of the active and positive support of Maharashtra and Central Governments, the incomplete work of the Sardar Sarovar Project can be

completed at the earliest and the whole country would benefit from the same. The farmers of Gujarat dream of making Gujarat a "**Nandanvan**" through the Sardar Sarovar Project. We hope that there will be no obstacles in realizing this dream.

It is necessary to achieve excellence in the health and medical services to raise the Human Development Index of the state. Child, mother and youth are the important members of society. To ensure their bright future, various health related schemes have been implemented. Following the success of "Nirogi Bal Varsh" of 2008 (Healthy Child Year), 'Balsakha Yojana' has been introduced in the State. An important step to reduce infant mortality rate by providing best health services to infants of BPL families has been taken up with the help of voluntary service-oriented organizations and private practitioners through the 'Chiranjivi Yojana' that has had a significant impact on the rate of institutional delivery, which has increased from 54.7% to 80%. In addition, this rate has reached upto 95% in urban areas. Under this scheme, 2.5 lakh pregnant women living below poverty line have been covered under the institutional delivery framework.

Emergency Medical Services Act has been enacted to extend emergency medical services to the people. Approximately 400 ambulance vans of the "Service 108" and a large number of Trauma Care Units have been started to render such emergency medical services in the State, and during the year 2008, emergency medical services have been rendered to more than 3 lakh cases, out of which about thirteen thousand expecting mothers were admitted in the nursing homes through the "108 Ambulance Vans".

Energy is also equally important for development. Gujarat does not have the advantage of natural hydro power resources. Fuels like coals are the only alternatives. The State has to face a series of hardships to avail the same. Against such odds, Gujarat has taken the leadership to protect the nation from an impending energy crisis. With a

view to protect not only Gujarat but the entire western India from such a crisis, Gujarat has been contributing significantly to power generation. Against per capita national power consumption of 690 units, per capita power consumption of Gujarat is 1,424 units. However, Gujarat gets its own requirement from an established capacity of 10,417 MW. The need to stagger power supply for industry or urban areas is minimal. The villages of the State are connected with power supply, specially with the introduction of the "Jyoti Gram Yojana."

Moreover, a policy to avail energy from non-conventional resources like solar energy and wind energy has been formulated with a view to attract more investments in this field.

Gujarat is focusing, not only on development but on environment as well. Struggle against nature is not the sustainable way to development. Hence, Gujarat has taken the challenge of global warming, and has adopted the concept of a green movement. When mangrove area is decreasing in the country, Gujarat has planted mangroves in 935 sq. km. of area through public private partnerships, which is the second highest in the country. Gujarat has become one of the pioneer states throughout the country in getting carbon credits during the previous year. Gujarat has got first position across the country to provide infrastructural facilities in field of maintenance of environment. Gujarat has till date developed around 25 common effluent treatment plants, and around 8 "technically safe hazard disposal sites" that have yet to start in several states. We are confident that the entire world will notice this initiative of Gujarat in the days to come.

With MoUs worth Rs. 12 lakh crore, a presence of more than 600 representatives of 46 nations, and about twenty thousand enthusiastic delegates, the Vibrant Gujarat Global Investors' Summit, 2009 has been an unprecedented success, specially viewed in the context of the present global slowdown. **More than twenty five lakh youth are expected to get employment** through the investments to be

made in different sectors **through the 8500 MoUs**. The captains of industry and economy are aspiring to make Gujarat their "Karmabhumi" considering the qualities of entrepreneurship, leadership, inner power and a quick transparent administration. The guiding force behind this is the strategy of our visionary Chief Minister to attract investors from all over the world to Gujarat. This vital force is based on **low risk, low cost and high efficiency**; and that is **good governance**, which has the power to create miracles. Such events of Gujarat have created a new ray of hope for the nation even during the period of economic slow down. This is the force that has attracted the **Nano Car Project** to Gujarat. The significance of exports and imports is increasing in the era of globalisation. However, the subject of external commerce falls under the jurisdiction of the Central Government. We hope that the forthcoming policies of the Centre address the difficulties faced by the import and export sector. If it works, a State like ours will come forward and contribute further to the economic development of the country.

Revenue administration in the state has been made simpler by making amendments in the present provisions. Matters such as compulsory registration of power of attorney, implementation of a new ready reckoner (Jantri), simplification of the procedure for grant of N.A. permission, evaluation according to final plot, promulgation, disposal of pending cases, changes in the record of rights, are processed faster and in a simplified manner.

Government of Gujarat has introduced an industry oriented curriculum, and has established new technical institutions as well as new universities. Indian Institute of Technology has been established to take Gujarat to the frontiers of technical education.

Several programmes, including encouragement of girl education from primary education to higher education, reduction in drop-out rate, making health services available, concentration for the achievement of qualitative education, training for employment etc, have been taken up.

Gujarat has the visionary leadership that keeps in step with the fast moving technological changes in this era of globalization. Hon'ble Chief Minister has put Gujarat in line with the developed countries by dedicating a scheme of connecting 13693 villages through broadband connectivity under the e-gram-Vishwa Gram project from the historical village Haripura of Bardoli Taluka on 23rd January 2009, the birth anniversary of **Netaji Subhas Chandra Bose**. This would enable farmers living in the remote villages to know the price for their products, access information, facilitate education of their children and make available necessary certificates and services at home. The 'e-Gram Vishwa Gram' scheme is the first such village level "**Closed User Group**" in the world and it is one of the biggest V-SAT networks of Asia with internet connectivity.

As we approach the golden jubilee year of the formation of Gujarat, '**the Swarnajayanti Sanklap Yatra**' that started on 1st May, 2008 from Amreli – the birth place of Dr. Jivaraj Mehta, the first Chief Minister of Gujarat, has now become a spontaneous public movement. This journey which has covered more than 160 towns till the end of January 2009, has been transformed into a 'People's Festival' by the people of Gujarat. The dream of our Hon'ble Chief Minister that five and a half crore people of Gujarat have committed to take Gujarat to a superior level of development with their determination, is being realized today.

The State Government is committed to link the people to the mainstream of the society through the welfare schemes for schedule castes, tribes and developing castes. Various schemes are implemented by the State Government. e.g. scholarship for education, assistance for bicycles to girls, house allotment through Dr. Ambedkar and Pandit Din Dayal Aawas Yojana, assistance for marriage under the scheme of "Kunwarbai nu Mameru" and liberal assistance for higher education in foreign countries etc.

More than 37 percent of population of Gujarat is residing in urban areas. State Government has given priority and importance to the development of cities and as a part of this, planning has been made for overall scientific urban development by integrating the schemes of upliftment of urban poor. Vajpayee Nagar Vikas Yojana, Nirmal Gujarat Scheme, Amrutdhara Scheme JnNURM Scheme are in place. Planning of BRTS in the cities of the State has also been made by the State Government for the first time.

The development of Gujarat is unique in the country—in the field of employment, industry and agriculture. Not only that, the State Government has also given priority to safety and internal security. As a result, within a short period of 20 days, the Gujarat Police has arrested all the conspirators alongwith their mastermind of the ill-fated bomb blast incident in Ahmedabad and this has created an atmosphere of trust throughout the country. The State Government has taken initiative for the coastal security after the terrorist incident in Mumbai. An Integrated Coastal Security plan has been sent to the Government of India. After the implementation of the same, our coastal areas will be more safe and secure.

The Central Government has accepted the recommendations of 6th Central Pay Commission for its employees/officers; likewise the State Government too has largely accepted the same for which there will be a recurrent burden of about Rs. 3,000 crores in addition to an approximate Rs. 5,400 crores on account of payment of arrears.

The accounts for the year 2007-08, revised estimates for the year 2008-09 and estimates for Vote on account for the year 2009-10 of the State Government showing gross deficit-surplus are as under. The statements for the same are presented herewith.

Accounts of 2007-08

Now, I will review the actual receipts and expenditure for the year 2007-08. It was expected in the Revised Estimates, that due to net transactions during the year, there will be a surplus of Rs.1517.94 crore, but the accounts for 2007-08 show a surplus of Rs. 113.64 crore due to net transactions.

(Rs. in crore)

		Revised Estimates 2007-08	Accounts 2007-08
(1)	Consolidated Fund		
	Revenue Receipts	3,49,79.20	3,56,89.85
	Revenue Expenditure	3,26,39.56	3,35,39.51
	Deficit/Surplus on Revenue Account	(+) 23,39.64	(+) 21,50.34
	Capital Receipts	88,80.72	89,19.57
	Capital Expenditure, including Loans and Advances, etc.	95,02.42	91,64.07
	Deficit/Surplus on Capital Account.	(-) 6,21.70	(-) 2,44.50
	Consolidated Fund (Net)	(+) 17,17.94	(+) 19,05.84
(2)	Contingency Fund (Net)	–	(-) 7.44
(3)	Public Accounts (Net)	(-) 2,00.00	(-) 17,84.76
	Total (1+2+3) Net transactions	(+) 15,17.94	(+) 1,13.64

Revised Estimates of 2008-09

In the estimates of the year 2008-09, due to net transactions, the deficit was anticipated to be Rs. 876.20 crore. But, at the end of the year, due to net transactions in the revised estimate, the deficit is anticipated to be Rs. 2583.86 crore.

(Rs. in crore)

		Budget Estimates 2008-09	Revised Estimates 2008-09
(1)	Consolidated Fund		
	Revenue Receipts	3,82,78.12	3,96,83.53
	Revenue Expenditure	3,82,25.73	3,94,14.97
	Deficit/Surplus on Revenue Account	(+) 52.39	(+) 2,68.56
	Capital Receipts	1,07,05.87	1,05,55.78
	Capital Expenditure, including Loans and Advances, etc.	1,12,29.46	1,34,08.20
	Deficit/Surplus on Capital Account.	(-) 5,23.59	(-) 28,52.42
	Consolidated Fund (Net)	(-) 4,71.20	(-) 25,83.86
(2)	Contingency Fund (Net)	--	--
(3)	Public Accounts (Net)	(-) 4,05.00	--
	Total (1+2+3) Net transactions	(-) 8,76.20	(-) 25,83.86

Estimates of 2009-10

The estimates of 2009-10 show a gross surplus of Rs.153.36 crore as follows:

(Rs. in crore)

		Budget Estimates 2009-10
(1)	Consolidated	
	Revenue Receipts	4,20,73.68
	Revenue Expenditure	4,20,16.42
	Deficit/Surplus on Revenue Account	(+) 57.26
	Capital Receipts	1,14,73.02
	Capital Expenditure, including Loans and Advances, etc.	1,09,80.92
	Deficit/Surplus on Capital Account.	(+) 4,92.10
	Consolidated Fund (Net)	(+) 5,49.36
(2)	Contingency Fund (Net)	---
(3)	Public Accounts (Net)	(-) 3,96.00
	Total (1+2+3) Net transactions	(+) 1,53.36

Sufficient time is not there to think over for the demands of this year. Hence, Vote on Account proposal for a period of four months upto 31st July, 2009 will be presented before the august house now. House will be able to discuss the demand for the whole year when modified budget will be presented.

I present this budget estimates before the august house.

