

Mr. Chairman, Mr. Speaker, and Hon'ble Members of State Legislature,

I am delighted to address both the Houses of Andhra Pradesh State Legislature on the occasion of the Budget Session of 2010. It gives me great pleasure in extending my best wishes and greetings to all of you.

We are meeting here at a very critical juncture in the history of our State. Several crucial events have taken place during the last twelve months. The global economic downturn which started in October 2008 continues unabated, eroding, in the process, both the economic activity and the revenues like never before, compelling the State Government to defer a major portion of Plan and Capital expenditures budgeted. The revenues of the State which grew at more than 19% compounded per annum for the four year period 2004-2008 have suddenly fallen to 10% in the year 2008-09. The situation in the current fiscal, as per available indications, has been grimmer with the revenue growth rate further falling to 5% for the nine months period April-Dec 2009.

That the trend is not specific to our State only and that other States, including the Central Government, have been facing severe problems of revenue fall is of no satisfaction to us. Our State has a positive growth rate of 5% in the revenues as against a negative growth rate of 22% in the indirect tax revenues of Central Government for the first eight months period (April-November 2009) on a year-on-basis. However, unlike in the case of Central Government, the fiscal deficit for the State cannot go beyond 4% of our GSDP in view of the FRBM compulsions. Thanks to the extremely good fiscal performance, the capital expenditure for the State grew at an unprecedented growth rate of 31.66% per annum compounded and our plan expenditure recorded an annual growth rate of 26.25% for the four year period 2004-08. Because of the fall in the revenues from the second half of the last fiscal, the growth rate in respect of 'plan expenditure' fell to 13% while the 'capital expenditure' registered a negative growth rate for the year 2008-09 over the previous year. Situation could have been worse had not the Central Government, as a quick response to the global slow down, implemented

three fiscal stimulus packages, benefiting among others, the State Governments also, in the form of increased fiscal deficit to GSDP ratio.

It is unfortunate that because of supply side problems, the Food-price inflation for the Country as a whole has accelerated to 19.95 percent in the week ending 5th December 2009, the fastest pace since December 1998. This has severely impacted the common man, more particularly, the daily wage earners. Containing the prices of essential commodities has become the biggest challenge for all the State Governments in the Country. As far as our State is concerned, we have been able to mitigate the problem to some extent through several programmes like the two rupees a KG rice programme, supply of Palm oil at Rs.35 per litre, Red gram dal at Rs.55 per kg, Chana Dal at Rs.30 per kg and yellow peas at Rs.17 per kg through the Public Distribution System. My Government is committed to bring down the prices of essential commodities.

My Government is exploring all possibilities to revive the economy and increase spending on 'capital expenditure' to ensure that the virtuous cycle of economic growth continues to move. Members will be happy to note that the request of the State Government to take up Pranahita-Chevella, Polavaram, Kanthanapally and Dummugudem Irrigation projects as National projects is under active consideration of the Central Government and the decision is likely to be announced in respect of atleast two projects shortly. My Government has also been actively following up the implementation of the ongoing Airport and Seaport projects besides the urban infrastructure projects like the Metro rail under the Public Private Partnership (PPP) mode. A large number of power projects are being taken up for implementation both in the public sector and private sector. The work on the Mannavaram power equipment manufacturing project being jointly promoted by BHEL and NTPC is likely to commence shortly. The Petroleum Chemicals and Petrochemical Investment Region is also expected to catalyze substantial industrial investments. The Government is taking three major projects with loan assistance from World Bank for improvement of infrastructure facilities in the State. These include, the AP State Road Sector Project at a cost of

Rs.3,165 crores, AP Rural Water Supply and Sanitation Project at a cost of Rs.864 crores and the AP Municipal Development Project at a cost of Rs.1,670 crores.

Thanks to the stabilization of the gas production in the KG basin, we are hopeful of completing the City gas distribution project in a phased manner within the next two to three years. The Empowered group of Ministers on Natural gas has so far allocated gas from KG basin for the stranded power and fertilizer projects only. They are likely to consider sanctioning of gas to new projects like the 2100 MW Karimnagar gas based power project. In the meantime, the State Government has taken the decision to go ahead with the first phase of the project using Re Liquefied Natural Gas. My Government is committed to work for completion of the projects in a time bound manner so as to give push to an otherwise sagging economy. I sincerely hope that the Hon'ble Members will extend full support to the Government in this critical hour for reviving the economy. The need of the hour is to accelerate economic growth; after all, our own experience during the last five years confirms that faster economic growth is the only solution for faster reduction of poverty.

Even while the State was struggling to cope with this unprecedented situation forced upon us by the global economic slowdown and price rise, we had to face yet another major tragedy in the untimely death of Dr.Y.S.Rajasekhara Reddy, one of our most charismatic and dynamic leaders, who was seen by many as a messiah of the poor and as a rare political leader gifted with extraordinary courage and a commitment to wipe every tear from every eye. During his five years tenure, he led Andhra Pradesh to very high levels of economic prosperity through high GSDP growth rates, highest for any five year period since the formation of the State. His greatest achievement was in ensuring the equitable distribution of the fruits of economic development amongst all sections of population and all the regions of the State through a large number of welfare programmes taken up for implementation in the State on

saturation mode. The Government could truly promote inclusive growth in the State in letter and spirit.

Late Dr.Reddy's extraordinary contribution was, however, in the field of agriculture and allied activities. His relentless and untiring efforts to improve the plight of the farmers yielded highly beneficial results. As against the national target of 4% annual growth rate, our State achieved a very high growth rate of 6.4% for the period 2004-09, up from 3% growth rate for the preceding five years period. In quantitative terms, AP's food grains production recorded an unprecedented average annual growth rate of 8.98% for the period 2004-09, as against the nation's 1.9%. The people of the State will for ever gratefully recall with deep gratitude Dr.Reddy's enormous contribution to the State. Despite all the troubles, my Government is committed to continue all the welfare programmes taken up during the last five years under the leadership of late Dr. Reddy.

After four consecutive years of good monsoons, we have suffered an unprecedented drought, which has severely affected the agricultural operations in the entire State. State Government declared 1068 mandals as drought affected in the State. As advance assistance to affected farmers my State Government released Rs.576 crores as input and seed subsidy. Our food grains production, during the current year, is likely to drop by about 40 lakh tonnes over that of the previous year. The oilseeds, sugarcane and a large number of commercial crops are also reporting similar losses of production. The problem is further compounded by non availability of water in the Godavari River for Rabi crop. My Government has taken many steps to mitigate the problems faced by the farmers because of the drought.

Even before we could fully recover from the consequences of drought, the State was faced with unprecedented floods causing wide spread damage to life and property in many districts of our State. The unprecedented floods in the months of September/October, 2009 caused wide spread damage to life and property in many districts of our State.

The standing crops and the horticulture farms in particular have been very severely damaged. 90 persons lost their lives; more than one lakh poultry perished and about 50,000 animals were killed in these floods. The estimated loss of property and crops is Rs.12,456.27 crores. The inflows into the projects in the Krishna basin were very huge and exceeded the Maximum Water Levels by a huge percentage. The Srisaillam project itself received more than 25 lakh cusecs of water continuously for 15 hours as against the previous high of 9.85 lakh cusecs of water. Technically speaking this is the Probable Maximum Flood which may take place once in 10,000 years. The entire official machinery of my Government was fully geared up to meet the situation and the Government took immediate and timely measures for rescue and evacuation of 5.68 lakh people to safer places. Due to the round the clock monitoring of the flood situation, my Government could minimize the losses both in respect of lives and properties. My Government has released an amount of Rs.1028.49 crores towards rescue, relief and immediate restoration of damaged public infrastructure.

My Government has also taken up various other steps to mitigate the sufferings of affected families in floods. The ex-gratia amount to be paid to the families of deceased persons has been enhanced to Rs.2.00 lakhs from Rs.1.00 lakh. The compensation for fully damaged houses and partially damaged houses has been enhanced to Rs.5,000/- from Rs.4,000/- and to Rs.4,000/- from Rs.3,000/- respectively. The relief being paid to clothing and utensils has been enhanced to Rs.1,500/- each from Rs.1,000/- each. Extra provisions were given free of cost to the affected families and the Government has also sanctioned one lakh houses under Indira Awas Yojana (IAY) at a unit cost of Rs.68,450/-. 22,578 temporary shelters were sanctioned to immediately rehabilitate the affected families who lost their houses.

The Central team which was deputed for the damage assessment and for fixing the quantum of relief has already submitted its report. The Prime Minister announced an immediate relief of Rs.1,000 crores. The

State Government on its part has very swiftly responded to the situation and saved many lives.

During the last few months, the State has been going through difficult times affecting public order, pace of development and image of the State. We have every responsibility to ensure peace and tranquility and offer protection to the life and property of the people. We have very recently celebrated the completion of the 60th year of our Republic, when we had so fondly recalled the great sacrifices of a large number of men and women in the freedom movement, lead by the Mahatma, who unflinchingly stood by the principle of non-violence. We must forever conduct our struggle on this high plane of dignity and discipline.

I fervently appeal to all of you to help in the maintenance of peace and tranquility in the State. As Pandit Jawaharlal Nehru said "***without peace, all other dreams vanish and are reduced to ashes***".

Agriculture and allied activities, which employ 62% of the State's work force, continue to be the main focus area of my Government. We have taken a large number of initiatives for giving push to these sectors. For the year 2008-09, the share of Agriculture to the State GSDP was 23.8% as against 17% at the National level. We are among the few States in the country, where the allied sectors like livestock and fisheries constitute about 37% of the Agricultural GSDP of the State. We continue to be the third largest producer of the food grains in the country. For the year 2008-09, our State has given 90 lakh tonnes of rice to the Central Pool. We are placed at second position in respect of Sericulture next only to Karnataka. During the year 2008-09 Andhra Pradesh has come to second position from the fourth in terms of Milk production in the country, while continuing its number one position in respect of poultry and meat production. AP occupies second position in the country in respect of fish production, which has now touched 12.52 lakh tonnes with a value addition of Rs.9,000 crores. To mitigate the fodder scarcity in the State during drought, fodder seed was supplied on 75% subsidy basis, besides providing improved varieties of perennial fodder seed. The Pasu Kranti

and Jeeva Kranti programmes being implemented by the State Government have gone a long way in benefitting the farmers, as they insulate them in periods of drought. The State has also started mobile clinics for spreading the artificial insemination programme. Efforts are being made to start all the centres by April 2010 for providing breeding services to 100% breedable bovine population. Indira Gandhi Centre for advanced research on livestock is being established at Pulivendula in Kadapa district for conducting research on animal health, livestock products technology and to transfer the results to field, for benefit of the farmers.

The Government is continuing to supply free power for 7 hours per day apart from continuing the Pavala Vaddi scheme on the crop loans taken by the farmers. The Central Government was good enough to increase the Minimum Support Price (MSP) for various crops by around 100% during the last five years apart from implementing the debt waiver scheme, benefiting more than 63.81 lakh farmers in the State. The State Government has also granted a one time relief of Rs.5,000 per loanee farmer not benefited under the Central Government's debt waiver scheme. About 36 lakh farmers were benefited under the scheme. The Seed Village and Polam Badi programmes have been further strengthened. The Input Regulation continues to get high attention of the State Government. The DNA finger printing laboratories and Bio-pesticide testing laboratories have been established in various Districts of the State. We are the first State in the country to implement the crop insurance with village as a unit and this will go a long way in coming to the rescue of the farmers. We are among the first States in the country to have implemented the Vaidyanathan Committee recommendations by revamping the entire Cooperative credit structure in the State. A large number of Primary Agriculture Cooperative Societies (PACS) have been restructured and rehabilitated. The A.P.State Cooperative Bank (APCOB) will in future be manned by professional CEO. The Government has already issued orders for computerizing all the PACS in a phased manner.

Future plans include inter connecting all the PACS and the DCCBs with the APCOB.

In Horticulture, AP ranks number one in the production of spices, second in the production of fruits and third in the production of flowers in the country. AP continues to rank number one position in respect of micro irrigation programme. The State Government has issued sanction for installation of micro irrigation systems in an area of 54,206 hectares. An additional area of 23,000 hectares is brought under various horticulture crops, besides providing assistance for rejuvenation of the senile and old orchards in an area of 9,657 hectares during the current fiscal. The oil palm development programme, the Integrated Vegetable Development programme and Post harvest programmes have been further strengthened. The State Government has already taken the initiative of starting a separate Food Processing department in the Secretariat in recognition of the growing importance of food processing sector. We have started the Agriculture year 2009-10 organising a unique Pre-Kharif Campaign where more than 13 lakh farmers were apprised of requisite technology. Thirty-four lakh quintals of quality seed were distributed through institutions attaining a seed replacement rate of 69%. Consistent implementation of these schemes has created the base for stable production and increasing farm productivity in the state.

My Government has embarked upon Jalayagnam, the biggest Irrigation programme in the country to harness every drop of water for meeting the needs of both agriculture and drinking water. There has been no major technological breakthrough in agriculture in the last two decades. In the absence of this, the only way we can augment further productivity and production in agriculture is by making more water available, as there is clear evidence that the crops under assured irrigation have very high level of productivity than those under the rain fed conditions. Given the fact, that our country's population is increasing at the rate of two crores per annum and that the global tradable surplus in food grains is dwindling year after year, there is an urgent need to augment additional food grains production within the country and this is

possible only by providing better irrigation facilities. It is precisely because of the neglect of this sector, particularly in the post-reform period, the average annual growth rate in agriculture for the decade 1991-2001 fell to 2.2% as against a growth rate of 5% recorded for the preceding decade.

The total new irrigation potential created from 2004-05 to 2008-09 is 19.96 lakh acres and stabilization was achieved to an extent of 3.08 lakh acres. That the Jalayagnam programme greatly benefited the State is evidenced by the fact that our State achieved an average annual growth rate of 8.98% in the food grains production for the five year period 2004-09, as against the National growth rate of 1.9%. Incidentally, this has been the highest growth rate for any five year period after the formation of the State. The total expenditure incurred on Jalayagnam till 31-03-2009 was Rs.41,000 crores. Because of the sudden fall in the revenues of the State, it is possible that the programme may be delayed. Nevertheless, the silver lining is that the Central Government is willing to take up some of these large projects of the State as National projects or Projects under Prime Minister's package with 90% grant component. Under this Programme, works are in progress to create a new ayacut of 6.75 lakh acres and modernization of 9.75 lakh acres with an outlay of Rs.2,768 crores under minor irrigation and APSIDC to help the backward and tribal areas of the State. The Jalayagnam programme also includes Modernization of Krishna, Godavari, Pennar deltas and Nagarjuna Sagar project, among others.

Members are kindly aware that Andhra Pradesh is making rapid strides in the provision of health and medical services to every citizen in the State at affordable cost. We have been able to achieve a great degree of success in this endeavour and I am happy to say that our State has become a role model for the country through many well meant programmes. This became possible by increased Government spending, introduction of new services and Public-Private Partnerships for improved health care access, quality, equity and safety. Besides the flagship programmes like Aarogyasri, 108 and 104 services, a number of

initiatives are taken up to consolidate the existing institutions and their service delivery.

For about 80% of the State's population who are covered under the white ration cards, hospitalization expenses upto Rs.2 lakhs per annum are being met by the Government under the Rajiv Arogyasri programme. About 2.7 million patients have been screened so far under various medical camps and over 5 lakh patients have undergone surgeries in the last two and odd years. During 2009-10, Rural Emergency Health Transport service (108) was further scaled up from 652 to 752 ambulances. This enabled critical pre-hospital care and transport catering to 3700 emergencies every day, greatly enabling safe delivery and there by reducing Infant and Maternal mortality rates in the State. In the process over 34 lakh emergencies have been attended to so far and 54,000 valuable lives were saved.

Under 104-Health Information Helpline (HIHL), Health Information advice and counseling services are being provided to the public on Toll free number 104 with wider coverage and convergence with 108 services. On an average 36,000 calls are being attended by HIHL. The (104) Fixed Day Health Services – a scheme to provide health services to the under served villages located 3 km beyond the Primary / Community Health Centres (PHCs/CHCs), is further consolidated and strengthened with the addition of 375 Mobile Health Units during the year. Considering the primacy of Human Resources in health sector, government has sanctioned 582 posts of various categories including doctors during 2009-10. 70,700 Accredited Social Health Activists (ASHAs) been positioned in all habitations across the state to act as Health Resource Persons of first resort in all maternal and child health services. The ASHAs are being imparted trainings to improve their skills and capacity building.

To effectively manage both the traditional diseases and emerging diseases and public health issues, it is decided to build a vibrant and attractive Public Health Medical Officers cadre in the State by making the PG Diploma in Public Health Management compulsory for all supervisory

level Medical officers from 2012. Already 21 officers are undergoing the said course at Indian Institute of Public Health, Hyderabad. This measure will provide capacity building to undertake population health surveillance and comprehensive assessment, to implement a sound health policy and strategy. Awareness campaign on HIV/AIDS has yielded positive results and the number of persons voluntarily undergoing blood test for HIV/AIDS has increased to 20 lakhs in this year. Incidence of new HIV infection cases among Ante- natal Care Center visitors has come down from 2% in 2004 to 0.88% now.

To address the deficiencies in procurement of medicines and supply to health centres and hospitals, with a specific objective to make available essential medicines of good quality at all health facilities in the state at all the times; Government has come up with a new Policy for procurement, storage, distribution, access and use of medicines. Essential Medicines List is prepared considering the public health relevance, quality, safety, efficacy and comparative effectiveness involving primary, secondary and tertiary care needs. 21 Scientific medicine storage godowns are planned with DFID funding under Andhra Pradesh Health Sector Reform Programme. A real-time inventory management system for medicines and door-delivery of medicines at the Hospitals are the other key features of the new policy. Similar policy is being evolved for procurement of consumables, surgicals and diagnostic equipment.

I am happy to share with you that our State has taken a large number of initiatives over the years, for improving the quality of higher education and to enhance skill development so as to make our students globally competitive. In the year 2007, we have taken a conscious decision to set up a University in each of the 23 districts. As part of this commitment, so far 18 new Universities have already been established. The Government has encouraged the Universities to set up Centres of Excellence to promote research activities by providing necessary budgetary support. The Government has also promoted eleven 21st century Gurukulam centres in various University areas.

My Government has set up three IIITs under Rajiv Gandhi Institute of advanced technology in the state with an intake of 6,000 students per annum besides undertaking a large scale expansion of the Jawahar Knowledge Centre programme, in which around 60,000 students have already been trained. The Government has also introduced soft skills and communication skills improvement programme as part of English curriculum in 105 Government degree colleges in the State. The Government has also decided to substantially expand the Polytechnic and ITI education by encouraging the existing private and Government Engineering colleges to start diploma courses in the evening shift. This will facilitate an addition of atleast one lakh seats in the polytechnic courses in the next five years. These courses will be specially designed keeping in mind the global employability of the students coming out of these institutions. Similarly the Government has decided to establish atleast one ITI in each of the Assembly Constituencies.

Future initiatives also include connecting all Engineering colleges, Polytechnics, Medical colleges and other Degree colleges both in private and Government sectors, with broadband educational network with video conferencing facilities, with a focus to improve the standards of education in rural colleges. This will also include making available most popular lectures, lab experiments and surgeries across the state through web casting. Similar initiatives are also being taken up for improving the skills at the school level. The State has achieved a higher Gross Enrollment Ratio of 15.64% vis-à-vis the National average of 12.39%. Recognizing that education is a powerful tool towards empowerment of persons from SC,ST,BC and Minority communities, my Government has initiated large number of programmes which include upgradation of hostels, increasing the mess charges, dress allowances, amount payable for scholarships and the tuition fees reimbursement on a saturation mode. The Government has extended the tuition fee reimbursement scheme to those among the economically backward communities also.

Our Government has started 'anytime-anywhere' online registration facility for job seekers at employment exchanges from July, 2009 onwards.

Although our State has done a commendable job in respect of higher education the fact that we are still lagging behind many States in respect of literacy rate is a matter of great concern. Our first target is, therefore, to achieve complete literacy during the next ten years. The Government is concerned about low literacy rates among SC, ST and Minority girls and has therefore decided to come up with a special package for improving the literacy rate among these sections. The Rajiv Vidya Mission is implementing three schemes viz. Sarva Shiksha Abhiyan, National Programme for Education of Girls at Elementary Level and Kasturba Gandhi Baalika Vidyalayas in the State for Universalization of Elementary Education. So far, 2799 Education Guarantee Centers were opened in schoolless habitations covering 60,838 children. Badi Bata was conducted from 12th to 27th June'2009 in all habitations across the State duly organizing Samuhika Aksharabhyasam. Till the end of December 2009, as many as 1,07,839 out of school children have been enrolled in Alternative Innovative Education Centres. During the year, 5,368 Additional Classrooms, 136 Primary School buildings and 20 Upper Primary School buildings were constructed. Out of 395 Kasturba Gandhi Baalika Vidyalayas sanctioned, 394 have been operationalized with an enrolment of 40,231 girl children. The State Government has already taken up the implementation of Rashtriya Madhyamik Siksha Abhiyan programme with the support of Central Government.

Next to agriculture, manufacturing sector accounts for a large share of employment. Given our vast resources, Andhra Pradesh has a bright prospect of emerging as an important outsourcing base both for manufactured goods and for IT sector. Our State has sizeable presence in a wide variety of manufactured products like fertilizers, steel, cement,

paper, spinning, bulk drugs & pharmaceuticals, food processing, granite, engineering Industries, textiles, leather goods, gems and jewellery and power equipment. Despite the economic slowdown, our IT exports continued to grow at an impressive pace. We are yet to assess the situation in the wake of US Government's decision to place restrictions on outsourcing through fiscal disincentives. As infrastructure bottlenecks have always been cited as reasons for the Country's inability to attract greater FDIs into manufacturing sector, my Government, during the last five years, consciously has taken several initiatives to promote a large number of airports, seaports, special economic zones and urban infrastructure. The Ministry of Commerce, Government of India has given approval to 103 special economic zones in Andhra Pradesh. Out of this, 73 SEZs are notified in the gazette of Government of India. Of these, 40 SEZs have already become operational with investments in the range of Rs.10,000 crores, creating 54,776 jobs. The Government of Andhra Pradesh has been implementing the Industrial Investment Promotion Policy 2005-10, which offers highly attractive fiscal and non-fiscal incentive package designed to attract industrial investments. In respect of Large/Mega projects, depending on the economic benefits that such a project would bring to the State, a negotiated package of incentives is offered through State Investment Promotion Board. As per the recently released report of the ASSOCHAM, Andhra Pradesh stood at third position in the country in terms of attracting investments for the year 2009. In order to create hassle-free environment for the investors, Government of

Andhra Pradesh is effectively operating the Single Window Clearances. The Ministry of Chemicals & Fertilizers, Department of Chemicals & Petrochemicals, Government of India accorded approval for development of Petroleum Chemical and Petrochemical Investment Region in Visakhapatnam–Kakinada Region in an extent of 603 Sq.Km. A Memorandum of Agreement was signed between Government of India and Government of Andhra Pradesh on 01.10.2009. My Government has already constituted a Special Development Authority as Visakhapatnam–Kakinada Petroleum, Chemical and Petrochemical Investment Region Special Development Authority for planned growth of the area by making master plan, providing civil amenities, etc in the SDA area.

To meet the ever growing power demand in our State, APGENCO has taken up massive capacity addition programme of 8945 MW at an estimated cost of Rs.36386 Cr, comprising 4720 MW coal based thermal projects, 2125 MW hydro and 2100 MW gas based projects. It is targeted to add 7109 MW capacity during 11th Plan. The 500 MW coal based extension power project of VTPS has recently started generation by delivering firm power. The Bhoopalpally 500 MW power project will become operational before 30th June 2010. Thanks to commencement of supply of gas, all the gas based power generating stations have been operating to their full capacities. The work on APGENCO's 1600 MW coal based power project has commenced.

Under the newly formulated Integrated Handloom Development Scheme, 37 Handloom Clusters are being developed with an outlay of

Rs.60.00 lakhs each. Under Integrated Handloom Development Scheme, Madhavaram and Chirala Handloom Clusters are being developed through APCO with an outlay of Rs.2.00 crores each. Pavala Vaddi scheme to Handloom Weavers Coop. Societies, APCO and weavers covered under Artisan Credit Card Scheme and Handloom Weavers Groups is being implemented with effect from 1st April, 2008. For the first time in the country, my Government has taken the initiative to bring out a Textile and Apparel Promotion Policy, 2005-2010 with a target to generate two lakh jobs. Two International Companies viz., Brandix and MAS Holdings from Srilanka are setting up Garment Clusters in our State, which will generate over 75,000 jobs in the next five years. Under Special Package to assist the weaver community of Siricilla, 1,340 Self Help Groups have been formed and credit linkage to an extent of Rs.61.58 crores had been provided during the year 2008-09 and 2009-10. 4,576 weavers have been assisted under Rajiv Yuva Shakti scheme with a financial assistance of Rs.19.97 crores. The Government extended Pavala Vaddi Scheme to all Micro and Small Enterprises.

The Department of Mines and Geology has taken fresh initiatives to bring additional mineral bearing areas under 'mining' by strengthening vigilance mechanism and by starting mineral projects with an investment of about Rs.5,000 crores. The Department has given a major thrust for disposal of mineral concession applications, identification and notification of exclusive mining zones, reservation of Iron ore bearing areas, establishment and expansion of cement plants, regulation of sand through

auctions, introduction of slab system concessions to Granite cutting and polishing industry, augmentation of mineral production and utilization of mining waste. The Department has collected a record revenue of Rs.1754.51 crores during 2008-09 and Rs.1149.58 crores upto November, 2009 (2009-10). The Department has achieved a growth rate of 6% of Mineral revenue during 2008-09 and stands first in the country among the mineral producing States.

Our State continues to be the leading state in the implementation of NREG programme with a budget for Rs.6,040 crores for the current fiscal providing employment to more than 10 million workers. This programme has gone a long way in insulating the rural poor against drought and floods. Similarly, in respect of women SHGs, our State continues to be the role model for other states. More than 50% of the bank loans sanctioned to this segment in the whole country are in AP. The INDIRAMMA Programme started essentially for saturating the Weaker Section Housing, Pensions, provision of drinking water, roads, drains, electrification and sanitation will be continued and completed in all respects in the next five years. Out of the total 81.30 lakh weaker section houses sanctioned, about 28.34 lakh houses have been completed and 17.18 lakhs are in progress. As many as 20.78 lakh SC/ST houseless families are identified in the State in three Phases of INDIRAMMA including those under spillover category. So far 8.11 lakh houses are completed and 6.85 lakh houses are at different stages of construction. These houses are spread throughout the State in all villages and wards. Special emphasis will be given for

completion of drinking water projects, internal roads, drains, electrification and sanitation programmes in the first three years on a saturation mode.

My Government has taken many policy initiatives to facilitate holistic growth of urban areas. The Government has taken the initiative to access funds under recently launched Government of India schemes i.e., Jawaharlal Nehru National Urban Renewal Mission (JNNURM) in a big way. Our State has so far been sanctioned 268 projects with an estimated cost of Rs.12,525.45 crores. "Andhra Pradesh Municipal Development Project" is being launched with an objective to improve the civic infrastructure in the urban areas of the State with US \$ 350 million (Rs.1,670 Cr) World Bank assistance.

My Government has completed the prestigious Elevated Expressway project with an estimated cost of Rs.600 crores to connect the new International Airport at Shamshabad. Government is expediting the construction of Outer Ring Road with an estimated cost of Rs.6,786 Crores. Government is also implementing MMTS Phase – II along with Railways at a cost of Rs.640 Crores to provide rapid transport facilities to the unconnected areas in the city. The prestigious Hyderabad Metro Rail Project spanning over 71 kms on three high density traffic corridors is proposed at an estimated cost of Rs.12,132 crores in order to ease traffic congestion in Hyderabad city.

My Government has given top priority to provide protected drinking water to all urban local bodies by strengthening the existing infrastructure and service levels. During last five years, 140 water supply schemes with an estimated cost of Rs.3320.21 crores have been taken up so as to achieve the average water supply per capita as per norms in urban areas by 2010-11. The Government is also committed to bringing in the Godavari waters to meet current and future demands of Hyderabad City.

My Government, besides planning infrastructure improvement in cities and towns has worked towards making them inclusive and pro - poor. Under Indira Kranti Patham - Urban, my Government has organized Urban poor families into 1.80 Lakh Self Help Groups in slums and provided over Rs.2000 Crores bank credit to them in the last two years to help themselves achieve better quality of life and come out of poverty.

On the Environment front, my Government has taken many initiatives. Continuous online monitoring of city Ambient Air Quality and water quality of major rivers and tributaries through out the State are important activities of the State Pollution Control Board, keeping the public posted with live data. The first industrial solid hazardous waste Treatment Storage Disposal Facility (TSDF) was set up at Dundigal in Rangareddy District in India. Thirteen bio-medical waste treatment and safe disposal facilities were also set up in this State for the first time in India. Other states have adopted the AP model in the last five years or so.

Andhra Pradesh has taken innovative steps in infrastructure development using the Public-Private-Partnership route. This year saw the launching of the new four kilometer long Godavari bridge project under PPP at a cost of about Rs.800 crores of which about Rs.200 crores is viability gap support from the Government of India and the State Government. The Road Development Corporation is spearheading PPP road projects of about 6000 Kms length of State Highways. This is being taken up under innovative longterm maintenance contract which is cost effective. Improvements to 429 kms length of roads under direct funding of the World Bank is taken up this year. Pipeline projects of PPP-toll roads covering about 500 kms are about to be grounded. The AP Road Sector Project with World Bank support was also launched this year at a total cost of Rs.3165 crores.

My Government is committed to the welfare of the SC's, ST's, BC's and Minorities. Inclusive growth is not possible unless people belonging to these sections are really empowered. All the programmes designed and implemented during the last five years have been for saturating the needs of these sections. We are therefore committed to continuing all the welfare programmes that were taken up for implementation during the last five years. These include Aarogyasri and other health schemes like HMRI, EMRI, two rupees a kg rice scheme, Pensions, Weaker Section Housing Programme, Land distribution scheme along with Indira Prabha, SHG programme with subsidized interest scheme, complete reimbursement of tuition fee scheme, Weavers package, Tappers

package, Kalyanamasthu programme, Pavala Vaddi scheme for various sectors with a focus on farming community and supply of free power to farmers. My Government is committed to providing 4% reservation to Muslim minorities and will take appropriate legal measures to honour the commitment. Most of these schemes have been designed to cover about 80% of the State's population. The Dr.Y.S.R.Abhaya Hastham, a co-contributory Pension and Insurance Scheme for SHG women in the age group of 18 and above in rural and urban areas has been formally launched during the current fiscal and it will provide social security pension ranging from Rs.500/- to Rs.2,200/- per month on crossing 60 years of age besides insurance coverage. Under this initiative forty one lakh members have enrolled so far and Rs.15 crores is distributed to 3 lakh pensioners every month. Thirty eight lakh rural landless agricultural labourers have been covered under Indira Jivitha Bima Pathakam (Aam Aadmi Bima Yojana) to create a social security net among the members of rural poor and to benefit their families. The Panchayat Raj Department has been implementing, among others, the Pradhan Manthri Gram Sadak Yojana and the NABARD – RIDF – Rural Roads Programmes. Under these schemes an amount of Rs.4,500 crores have been spent so far.

Government have released Draft Tribal Empowerment Policy for ensuring overall development of tribals in the next Five years. Empowerment of youth is a priority programme through sports, education, self employment, leadership and skill development training.

My Government is committed to Women development and Child welfare by implementing various economic, social, legal and empowerment schemes for women, adolescent girls, the old and the destitute and children. Special Nutrition Programme is being implemented in 385 ICDS projects covering 54.30 lakh children in 73,944 Anganwadi centres. The rates of per diem expenditure on SNP under ICDS scheme have been increased from Rs.2/- to Rs.4/- for Children, Rs.2.30/- to Rs.5/- for pregnant and lactating mothers and Rs.2.70/- to Rs.6/- for malnourished children with effect from 1-7-2009.

My Government is attaching equal importance for the welfare of Persons with Disabilities and implementing various economic, educational, employment and rehabilitation schemes. Voluntary organizations are being actively involved towards this end.

Honourable Members are aware of the Central Government initiative to issue a Unique Identification Number to all the residents in the country. The UID number is expected to facilitate efficient delivery of various social and welfare services of the Government.

The good news is that there is light at the end of the tunnel. The GSDP growth rate of the State which fell to 5.5% for the year 2008-09 from 10% per annum for the preceding four year period of 2004-08, has recovered to 7.5% for the year 2009-10, as per the latest Advance Estimates. My Government is fully committed to keep up the momentum of growth at any cost.

My Government is fully committed to provide transparent, clean and efficient government at all levels. Our objective is to achieve all round development as well as inclusive growth. Overall progress, welfare of all sections of society and development of all areas of the State is our guiding principle. The focus of all our policies, projects and programmes is oriented to be pro-people and pro-poor.

Here I quote Gandhiji's words:

"I will give you a talisman. Whenever you are in doubt, or when the self becomes too much with you, apply the following test. Recall the face of the poorest and the weakest man whom you may have seen, and ask yourself, if the step you contemplate is going to be of any use to him. Will he gain anything by it ? Will it restore him to a control over his own life and destiny ? In other words, will it lead to swaraj for the hungry and spiritually starving millions ? Then you will find your doubts and your self melt away".

Let us all join together to make our State peaceful and prosperous !

JAI HIND