

**Budget Speech of Hon'ble Chief Minister
Sikkim Legislative Assembly
June 23, 2014**

Hon'ble Speaker Sir,

With your permission, I rise to present before this august house Budget Estimation for the year 2014-15. Let me begin by extending my warm greetings to my fellow citizens who participated in large number in the recently concluded Lok Sabha and State Assembly elections. I would like to congratulate the Election Commission of India, Chief Electoral Officer, Returning Officers and all other officials including the police personnel for their contribution in holding elections to the largest democratic country in the world.

Hon'ble Speaker Sir,

In January, 2014, I had presented to this august House Vote on Account upto September, 2014 pending constitution of detailed Demand for Grants for the year 2014-15. This was primarily because of Parliament and Legislative Assembly Election in the State. The Demand for Grants for the year 2014-15 are presented taking into consideration the plan size of the last year. Variations, after the discussions held with the Planning Commission will be reflected by way of Supplementary Demands.

Hon'ble Speaker Sir,

This is the 20th budget of our Government. Sikkim Democratic Front Government first took the responsibility to lead the Government on 12th December, 1994 and since then the people of Sikkim have continuously reposed their confidence on us. Hence I stand once again to thank our people for reposing this confidence which encourages us in our continued efforts to work. We have been consistently working to improve the socio-economic condition of our people with utmost sincerity, devotion and hard work. I humbly urge my legislator colleagues to honour and respect this sacred mandate that we have received from the people of the State and diligently strive to fulfill the aspirations and expectations of every single Sikkimese.

Hon'ble Speaker Sir,

On 9th June, 2014, I had called on the Hon'ble Prime Minister of India Shri Narendra Modi and conveyed our congratulation to him for his appointment as the Prime Minister of India. I had also submitted a Memorandum to fulfill the pending demands like reservation of Assembly seats for the Limboo and

Tamang Communities, inclusion of left out Sikkimese ethnic communities in the Central List of STs, granting of permission to the 17th Karmapa Ugyen Thinley Dorjee to take his seat at Rumtek Monastery and Income Tax exemption to the left out persons and old business communities of Sikkim. Hon'ble Prime Minister gave me a very patient hearing and assured to look into the matter in all seriousness.

Hon'ble Speaker Sir,

As you all are aware that the State Government has initiated the "Organic Mission" programme for which we have already received recognition from national and international communities for our innovative work.

I am delighted to inform this august House that Sikkim has found one more ambassador and promoter of our organic mission. The Hon'ble Prime Minister replying to the debate on the motion of thanks on the President's address to Parliament in Lok Sabha on June 11, 2014 included Sikkim for specific mention for its landmark initiative as being worth emulating.

"Sikkim is a small state. It has small population. But the small state has done a very significant work. In the near future, Sikkim as the pride of India is all set to become a fully organic state. All produce there is going to be organic.

"There is a major demand for organic produce in the World. Today people are very much interested in holistic healthcare. They are willing to pay any amount of money for such organic products".

"In order to capture this global market, if we link this commitment of the Sikkimese farmers to further this program in the Country, the lives of people living in the hilly state will change for the better."

Hon'ble Speaker Sir

The performance of the National Economy over the past two years has not been encouraging due to combination of national and international factors. The immediate consequence was cost escalation across board and erosion in both corporate profitability and growth of real disposable incomes. This resulted in abrupt decline in growth from 9.3 per cent in 2010-11 to estimated 4.5 per cent in 2012-13.

Hon'ble Speaker Sir

The economy of Sikkim has also been affected by global and national factors. This has resulted in slowdown in investment in different promising sectors in the State. In spite of global trend, Sikkim has sustained its developmental momentum comparatively better off in the given situation. The challenge before us is to further accelerate development by building up investors' confidence, complete all on-going infrastructures and further consolidate sectoral activity in the State.

Comparative assessment of our socio-economic statistics throw up many positive data where our economy has improved by leaps and bound. The State economy is expected to grow at 7.88 in 2013-14 at current prices.

- ✚ The Per Capita Income of Rs. 8,402 in 1993-94 has gone up to Rs. 1,68,100 in 2012-13 which is estimated to further improve to Rs. 1,96,144 at current prices in 2013-14.
- ✚ Internal Revenue of Rs. 42.75 crores in 1993-94 has gone up by an impressive Rs. 845.07 crores today.
- ✚ Sikkim recorded GSDP growth rate of 22.8 percent in 2013-14 as against 2 % recorded earlier in 1994-95.
- ✚ The IMR of 70 per 1000 in 1993-94 has improved to 24 per 1000 at present
- ✚ The percentage of BPL in Sikkim was 41.43 in 1993-94 which stands today at 8.19 percent only

The State Government is committed to sustain the momentum of development through successive annual plans. Due to ensuing Lok Sabha Elections, the Government of India has presented Interim Budget for the financial year 2014-15 instead of a regular budget.

Plan Performance in 2013-14

The State Plan size for the year 2013-14 has been tentatively kept at Rs. 2,210 crores. The Government of India has restructured existing centrally sponsored schemes into 66 schemes only and the funds transfer for these schemes has been re-classified as per Report of the Committee on restructuring of CSS under the Chairmanship of Shri. B.K. Chaturvedi, then

member, Planning Commission. Now, the fund under various schemes is directly transferred to implementing Agencies by the Government of India which will be routed through the consolidated fund of the State. As a result, the CSS shall form part of the State Plan in future.

Hon'ble Speaker Sir

The Twelfth Finance Commission grossly under-estimated the committed liabilities of the State. The State resources have been adversely affected by this shortfall. Against the projection made to the Thirteenth Finance Commission of Rs. 9131.45 crores, the State Government was granted an amount of Rs. 4525.80 crores.

In the month of January, 2014, Fourteenth Finance Commission visited Sikkim and the State Government had submitted a detailed memorandum seeking grants of Rs. 20511.98 crores as Non-Plan deficit grant, state specific grant, Local bodies grant, estimated amount on account of Pay Revision etc. Sikkim joined the mainstream only in 1975 and therefore the State Government has requested the Fourteenth Finance Commission to take the population figure of 2011 Census and not of 1971 under any circumstances as population is a factor for determination of devolution of taxes & duties. The projections are mainly for infrastructure development for health, tourism, education and local bodies' grant.

Hon'ble Speaker Sir,

Sikkim is the most peaceful state in the Country with best law and order environment. Collectively we have to take pride in it and also see that we promote harmony and peaceful co-existence through our thought and actions.

The State Government continuously upgrade capacity in police force to tackle emerging challenge by adopting the best procedures, available crises management plans and by forming Quick Response Units. The State Government also proposes to install CCTV camera on all vital installations including State Secretariat Building.

All Government employees including the police force and teachers are the highest paid employees in the Country with range of other facilities, incentives and promotion avenues. As a result of our special initiative, the employees in Sikkim also enjoy income tax exemption. In addition, we have undertaken various other measures to promote the welfare of government

employees and Sikkim is the best State for the government employees in the Country.

Hon'ble Speaker Sir

The State Government accords special importance to the improvement of infrastructure for the Judiciary. A special care is taken for improving infrastructure like Court buildings, residential quarters, vehicles and other equipments. A make-shift Judicial Academy has already started functioning in the High Court complex and a permanent complex is coming up at Sokeythang. The Government will give special emphasis to the development of Alternate Dispute Resolution Mechanism.

Hon'ble Speaker Sir

The State Government is dedicated to welfare of the poor and providing free houses to people living below poverty line under Chief Minister's Rural Housing Scheme, besides providing other facilities. I am privileged to mention that in Sikkim people living below the poverty line are only 8.19% and we have set forth to make Sikkim totally Poverty Free and Kutcha House free State by 2020. The State Government also proposes to provide 12% job reservation to candidates belonging to BPL category for direct recruitment under the State Government and Public Sector undertakings.

Education

Education continues to be one of the topmost priorities of the Government and over 20 % of total annual outlay goes to this sector. Large number of incentives and quality improvement schemes are being implemented for improving the quality of education and access to school. Mid-day meal programme is implemented in all the Elementary Schools. For greater access and improve quality of education, the network of Colleges and Universities have been vastly expanded during the last 20 years. Two Polytechnics, namely CCCT and ATTC and ITIs have been established providing training in different disciplines.

Today we can boast of our own Central University where a large number of students are getting higher education. The permanent University complex is being constructed and we propose to make our University the most disabled-friendly University in the Country. The purpose would be to provide full-proof structural design so that the differently-able students could have easy access to all facilities. This will encourage students from all over the world to seek admission in Sikkim University.

According to 2011 census figures, 82.2% of our people are literate as against the national average of 74.04%. The State has set itself a goal to achieve 100% literacy by the year 2020. To upgrade technological skill of the students, laptops were provided free of cost to the Class 11, 12 and College students, besides providing merit scholarships for higher education to the local Sikkimese students.

At a more psychological and mental level, the State Government is also looking at ways to impart moral education and introduce career counseling for the children. The idea would be to provide them scientific roadmap of life for better future.

I am also pleased to record and share that Sikkim has secured 3rd rank in the category of Elementary Education in the Country as per the Educational Development Index (EDI) released by the Ministry of Human Resource Development recently. The EDI was measured based on four constituents of Access, Infrastructure, Teachers and Outcome.

With this record, we are moving ahead to meet other goals in the coming days as initiated by the State Government to further strengthen our mission of providing qualitative education to children in the State.

Skill Development

Another unique programme which perhaps is the first of its kind in the country is the capacity building initiative which started in 2003 when we earmarked skill development fund for our youths. This was followed by a more institutional measure in establishment of Directorate of Capacity Building in 2007 and Institute of Capacity Building in 2009. The centres provide opportunities to unemployed youths and school dropouts to acquire meaningful skills to seek jobs or for self employment. There are networks of 41 livelihood schools located in various parts of the State, all of which are under the management and control of the capacity building institute. The main objective behind this initiative is to empower youth through skill development so that they remain gainfully employed, contributing their share in the nation building process. As far as possible, trainings are oriented towards meeting local employment demands also imparting business and entrepreneurship skills to the trainees who, otherwise, may remain unproductive or their potential untapped for any meaningful purpose. The larger objective has been to further enlarge the facilities and make our citizens highly skilful human resource in the country and the world. Business loan

facilities extended to our educated unemployed shall be provided to those persons already trained to carry out business venture.

Power Decentralization

Today in Sikkim we have made the Panchayati Raj Institution strong and vibrant through the process of decentralization both in terms of power and funding. We have established 31 Gram Vikas Kendras in the State in all corners of State for the benefit of people. More than 70% of our budget is allocated for the development of the rural sector as part of our policy initiative ever since 1994. Most of the projects in the rural sector are now being implemented through registered cooperative ventures, thus ensuring active participation of the rural masses in the development process. Adequate reservation in the Panchayati Raj System has ensured equal participation by weaker sections of the society in the decision making process.

Hon'ble Speaker Sir, we have made substantial progress in the Health Sector over the past years and during the last 20 years, quality of life of our people has improved. Quality infrastructure has been created and the same is reflected in improved health indices including improved life expectancy. We have simplified medical reimbursement system to the BPL as well as to the Government employees. The work for construction of 575 bedded Multi-Specialty Hospital at Sichey already going on in full swing and we would like to complete it by 2015. We are focusing on both curative and preventive health care. The CATCH program seeks to address both the concerns among people who are screened annually for comprehensive health coverage.

Roads & Bridges

The Government is totally committed to improve the road connectivity by improving road geometrics for better road network. The total length of road maintained by State Roads & Bridges Department till 1994 was 1889 Kms. and 123 Nos. of minor and major bridges. Now the total length of roads have gone upto 3672 Kms. and bridges to 216 Nos. The other important road like NH 31A, North Sikkim Highway, Gangtok-Nathula Road are maintained by BRO and time and again Government of India have been requested for early construction and completion of two lane National Highway from Sevoke to Gangtok via Damdim, Chalsa, Jaldhaka, Rachela to Aritar in Sikkim. Indeed, you will be happy to know that Sikkim is a State with the highest road density in the Country and we have already received Bharat Nirman Award in Rural Road in 2009.

Buildings & Housing

Infrastructure development of various categories including institutional buildings and public utilities have been constructed all over the State. In fact, Sikkim has emerged as a conference capital of the North-East Region. Various infrastructure projects like Guest Houses, Teachers Guest House at Syari, Sikkim House at Kolkata and Guwahati, All-India Service Quarters, New Raj Bhawan Complex, Vidhayak Awas Block, Soochna Bhawan, Paryatan Bhawan have been completed. The ongoing project of construction of Tashiling Secretariat is on full swing.

Eco-Tourism

Tourism in Sikkim has emerged as the new profession of the Sikkimese people with its vast natural potential. Promotion of village tourism, homestay, cultural tourism, adventure tourism has given fillip to the tourism trade in the State where a large number of our people are engaged. Sikkim abounds in natural resources as manifested in its rivers, lakes, mountains, flora and fauna, water glaciers, people, traditions, culture and religious institutions and the preservation and sustainable harnessing of all these has already made our State the premiere tourist destination in the world.

Hon'ble Members are aware that Sikkim has been listed and recognized by the Lonely Planet global site as the best region to visit in 2014 in the world. We collectively share this rare recognition. Now we have the added responsibility to keep up and further promote the good image of Sikkim.

Social Justice

In the area of social justice, the State Government in Sikkim is pioneer in the Country wherein over 31 percent budget is spent under the social sector. This is the highest per capita spending on this sector anywhere in India. The Sikkimese people belonging to all sections of society live a life of dignity and self respect.

The State Government has accorded high priority to all important task of enabling and empowerment of weaker, under privileged, marginalized and differently able sections of the society. Some of the most innovative and path breaking initiatives of the State Government are grant of Subsistence Allowance to people with more than 40% disability, monthly pension to Unmarried women of 45 years and above, educational grants and monthly pension to the Transgender community and incentive of Rs. 2 lakhs for marrying a person with different abilities, in addition to grant of regular

monthly pension to people of old age and widows. Similarly, proper nurturing and grooming of our children is another priority of the State Government which provides Hot Milk and Paustik Aahar coupled with pre-school education to children upto 6 years of age through a wide network of ICDS Centre.

Empowerment of women being corner stone of holistic development, the State government has reserved 50% of seats in Panchayats and other local bodies and 30% vacancies in Government jobs for women. Another 30 percent is reserved for women in higher education seats allotted by the Government. To give further impetus to the efforts of various government organizations, the State government has launched “Mukhya Mantri Mahila Shashaktikaran Abhiyan” under the National Mission for Empowerment of Women.

As per calculation made by the State authority based on National Survey Sample (NSS) data, the per capita asset value of the Scheduled Tribes (Bhutias and Lepchas) in Sikkim is Rs 71,700 as against national average of the STs of Rs 30,000. The per capita asset value in general of the Sikkimese population is Rs 60,000 as against the national average of Rs. 40, 000.

Forest & Environment

As we all know, Sikkim has distinction of having 82.31% of geographical area of the State as recorded Forest area which includes perpetual snow cover areas, glaciers, rivers, lakes and well stocked forests. A total of 30.77% area of the State is under Protected Area Network which comprises of 7 sanctuaries, 1 National Park as against the National Average of 4%.

As distinct to Sikkim State and owing to our eco-friendly policies and programmes, we have been successful in raising the forest cover from 43.95% to 47.34% during the period from 1993 to 2011. These policies include ban on grazing in reserved forest, ban on green felling, ban on killing of wildlife, ban on use of plastics and launching of ambitious green initiatives like Green Mission, Smriti Ban program, Ten Minutes to Earth and conservation of wetlands, etc. Our endeavor shall be to continue moving in this direction. As per Financial Management and Resource Centre, Chennai, our State has been the best example under national resource management performance in land use sector.

The innovative eco-friendly initiatives of the State Government have been a grand success. In this regard, the State Government proposes to empower the forest officials posted at GVK level suitably and adequately so that they are officially and legally empowered to address the routine and day-to-day needs of the people at the grass root level.

Hydel Power

The State Government has taken a bold initiative to judiciously harness the abundant hydro-potential with regard to hydel energy. Bestowed with the handsome hydel power potential of 8000 MW, we have so far commissioned projects with generation capacity of 670 MWs which is augmenting, by many folds, our past generation capacity of 32 MW in 1993-94.

The present generation capacity of 670 MWs is particularly contributed by the 510 MW Teesta Stage V, 60 MW Rangeet and 99 MW Chujachen Hydro Electric Power Projects besides several other mini and micro hydel projects which have been commissioned over the recent years. The Teesta Stage III Project is going on in full swing and the first unit of 200 MW is likely to go into operation by March, 2015. This project will be the largest power project to be commissioned in the country. A number of other power projects in the PPP mode are also at the advanced stage.

Hon'ble Speaker Sir

We have number of projects which are under implementation and the State Government's first priority will be to complete all the projects under implementation to avoid cost over-run and timely completion. New projects will be taken up only after completion of old projects.

Hon'ble Speaker Sir

I shall now dwell on the budgetary profile for the current financial year. The size of the Annual Plan has been tentative fixed at Rs. 2210 crore subject to revision after finalization of AP. The total outlay includes the following components:

- Rs. 348.00 crore – Prime Minister's Relief Package (earthquake reconstruction and rehabilitation).
- Rs. 369.22 crore – Borrowings.
- Rs. 372.27 crore – Additional Central Assistance (ACA).
- Rs. 119.53 crore – Special Plan Assistance (SPA)

- Rs. 230.00 crore – Special Central Assistance (SCA).
- Rs. 130.50 crore – Grants for externally aided project.

In this budget, I have proposed total amount of Rs. 6666.71 crore comprising of Rs. 3497.03 crores under Plan which includes allocations under the dispensation of North Eastern Council, Non-Lapsable Pool of Central Resources and Centrally Sponsored Schemes and a provision of Rs. 3169.68 crores under Non-Plan account. The estimate includes the provisions made as recoveries which are adjustable as reduction in expenditure, subsequently.

I have projected the gross revenue of Rs. 6113.31 crores and expenditure to the tune of Rs. 6666.71 crores for the fiscal year 2014-15 and difference is met through borrowings and funding through the Public Accounts etc. The contribution from tax revenue sources to the gross revenue receipts is of the order of Rs. 497.39 crores and in the case of Non-Tax revenue the amount is projected at Rs.1098.92 crores. I shall now present the highlights of the Budget for the year 2014-15 with a summarized account of the receipts and disbursements incorporated in the budget.

A.	RECEIPTS.	Amount (Rs. In crore)
1.	State's Revenue	:
	i) Tax Revenue	: 497.39
	ii) Non-Tax Revenue	: 1098.92
2.	Grants-in-Aid	: 3560.85
3.	State's Share of Shareable Taxes	: 956.15
4.	Loans from Other Institutions	: 441.96
5.	Loans from Central Government	: 14.50
6.	Recoveries of Loans and Advances	: 0.78
7.	Recoveries under contingency fund	: 1.00
7.	Public Accounts	: <u>5693.59</u>
	TOTAL	: <u>12265.14</u>
B.	EXPENDITURE.	
1.	State's Annual Plan	: 2210.00
2.	Centrally Sponsored Schemes	: 960.52
3.	Non-Plan Expenditure	: 3112.68
4.	Spillover provision of previous year	: 289.11
5.	Public Accounts	: <u>5692.87</u>
	TOTAL	: <u>12265.18</u>

C.	DEFICIT	:	0.04
	Opening Balance	:	65.30
	Closing Balance	:	65.26

Hon'ble Speaker Sir

Sikkim has finally emerged as the true welfare state where we have fulfilled the basic minimum needs and requirement of people wholly. Now, our next program would be strengthening quality aspects across sectors. That means, providing qualitative infrastructure, qualitative electricity, drinking water so on and so forth.

Sikkim has achieved distinction for having introduced the most innovative and first-of-its-kind programs under various sectors like environment conservation, education, health and social justice. Be it the case of ASHA workers, Aganwadi workers or MR and Workcharged employees. For the MR and Workcharged employees, we have introduced Group Personal Accident Insurance Scheme. You will be happy to know that Sikkim, at 52 % has the highest percentage of employees working in the entire country.

At the State level and nationally, youth population constitute more than 40 percentage of total population. Over the last many years, our focus has been chanelizing youth potential for all the entrepreneurial venture. All programs of Government are youth-oriented. We will continue to pursue this policy of youth empowerment in the days to come.

Hon'ble Speaker Sir

During my last visit, I held detailed discussion with the Hon'ble Prime Minister of India, Shri Narendra Modi about socio-economic challenges facing us and also addressed the pre-budget meeting hosted by the Union Finance Ministry. From the coastal region to the high Himalayas, we have different issues and different fiscal constraints. This requires that we need to design our own intervention appropriate to address problems unique to our own geography and demography at the given time.

Regionally and nationally, we have to collectively work out corrective measures to check price rise and address concern about rupee depreciation. Socio-political unrest including in Iraq bear heavily on our development

process as multiple issues impact our lives, stoke inflation and render many of our socio-economic programs incomplete and ineffective.

Through you, I would call upon my fellow Sikkimese, esteemed friends in the Opposition, respected friends in the Bureaucracy, civil society members, school teachers and students to contribute profusely to the making of a stronger State which is culturally rich, economically self-sufficient and morally self righteous. And, we are aware that the fate of our people and the essential question of development and security of the State rest in collective support and contribution made by all of us.

This is time that we raise ourselves above the blame game and make respective contribution in the nation building process. In order to reinforce a complete realization of and wholehearted participation by people in all our endeavours, I am confident that with all of us together, it is within our power to make miracles in the life of our people and the State.

With these words, I commend the Budget proposal for the consideration of this August House.

Thank you, Jai Sikkim.

