

2. PERFORMANCE OF PLAN DURING 2003- 04

State Income

During 2000-01, the GSDP for Tamil Nadu was Rs. 141109.12 crores at current prices and Rs.91088.85 crores at constant prices. In 2001-02 (R.E) it was Rs. 143516.53 crores at current prices and Rs. 89157.00 crores at constant prices. Thus there was an increase of 1.71% at current prices but a decline of 2.12% at constant prices over the previous year's level. In 2002-03, the GSDP was Rs. 91574.82 crores (Q.E.) at constant prices registering a growth rate of 2.71%. In 2003-04, the GSDP is estimated to be Rs. 96588.45 crores (A.E) (at constant prices), a growth rate of 5.47% over the previous year. The average growth in the first two years of the Tenth Plan period is 4.09%.

The following table illustrates the growth of economy since the year 1993-94 at constant prices. Figures given in parenthesis indicate the percentage change over the previous year.

Rs. in crores				
Sector Year	Primary	Secondary	Tertiary	GSDP
1993-94	14264.75	19389.67	23894.60	57549.02
1994-95	15869.85 (11.25)	22435.50 (15.71)	26479.13 (10.82)	64784.48 (12.57)
1995-96	13876.14 (-12.56)	24418.67 (8.84)	28726.63 (8.49)	67021.44 (3.45)
1996-97	13758.93 (-0.84)	24896.57 (1.96)	31680.29 (10.28)	70335.79 (4.95)
1997-98	14932.06 (8.53)	25377.17 (1.93)	35795.64 (12.99)	76104.87 (8.20)
1998-99	16275.25 (9.00)	25534.57 (0.62)	37893.60 (5.86)	79703.42 (4.73)
1999-2000	15499.55 (-4.77)	28302.70 (10.84)	40854.02 (7.81)	84656.27 (6.21)
2000-2001	16203.87 (4.54)	30541.13 (7.91)	44343.85 (8.54)	91088.85 (7.60)
2001-2002 (R.E)	16211.17 (0.05)	27641.65 (-9.49)	45304.18 (2.17)	89157.00 (-2.12)
2002-2003 (Q.E.)	12706.54 (-21.62)	30179.55 (9.18)	48688.73 (7.47)	91574.82 (2.71)
2003-2004 (A.E.)	13051.32 (2.71)	30888.31 (2.35)	52648.82 (8.13)	96588.45 (5.47)
CAGR (1993-94 to 2003-04)	-0.89	4.77	8.22	5.31

The reason for the slowdown in the State's economy in the year 2001-02 and 2002-03 was the decline in the output of the primary sector. The agriculture and allied activities sector was affected by the drought and non-release of water by Karnataka to Tamil Nadu from Cauvery. The global economic downturn also affected the overall growth of the economy in 2001-02.

The contribution of Primary sector to the GSDP which was Rs.16203 crores during 2000-01 at constant prices, marginally increased to Rs.16211 crores during 2001-02 at a growth rate by 0.05%. There was a steep decline in the contribution of primary sector by 21.62% in 2002-03. This resulted in a sharp decline in the overall GSDP by 2.71%. Despite the rainfall being deficient in 2003 - 04 also, there was some recovery of agricultural output, which stood at Rs. 13051 crores with a growth of 2.71% over the previous year.

The GSDP of Secondary sector comprising Manufacturing, Electricity and Construction activities was Rs.30541 crores during 2000-01 at constant prices, which declined to Rs.27642 crores during 2001-02, a decrease of 9.49% over the previous year. In 2002-03, the contribution of the Secondary sector increased by 9.18% due to the recovery of manufacturing sector from deceleration. The manufacturing sector grew by 5.06% in 2002-03. However, in 2003-04 there was a slow down in some of the industrial groups like Cotton and Textile Industries, Food processing industries, Paper industries, basic metal industries etc. pulling down the growth by 1.31% in GSDP.

The GSDP of Tertiary sector during 2002-03 was Rs.48689 crores registering a growth of 7.47% against the growth of 2.17% registered during 2001 - 02. The growth of the tertiary sector in 2003-04 was at 8.13%. Among the sub-sectors, a significant growth was noticed in Communication (by 21.00%), Real Estate, Ownership of Dwelling and Business Services which includes IT sector (by 10.49%) and Community, Social & other services (by 8.43%).

Thus, the Tertiary sector growth was steady in 2002-03 (QE) and 2003-04 (AE) and partly compensated the down-trend low growth in primary and secondary sectors in these years. Though the growth in tertiary sector offers more wage and income employment generation, the overall growth can be sustained only by balanced and equitable growth in the primary and secondary sectors.

The Influence of agriculture on industry is strong:

- Agriculture requires industrial inputs, such as fertilizer
(growth in agriculture generates demand for such industrial products)
- Agriculture supplies inputs needed by agriculture based industries such as sugarcane, cotton, jute & tobacco. (Availability of agricultural raw materials will therefore have a significant influence on these industries).
- Agriculture influences output of industrial consumption goods through demand. (Industrial consumption goods include clothing, footwear, sugar, edible oils & furniture).

The unregistered manufacturing sector depends quite significantly on Agriculture, Forestry and Livestock and, therefore, changes in these sectors influence the growth of manufacturing sector.

In Service sector, Trade, Hotel and Restaurants are interlinked with agriculture sector. Therefore, decline in output of agriculture affects gross trading index which forms the basis for value in Trade, Hotel and Restaurants sector.

The per capita income which was Rs. 9979 in 1993-94 increased to Rs.15151 in 2003-04 recording a growth of 10.36% (CAGR). It may be mentioned that the PCI of Tamil Nadu was higher than the National average since 1993-94 and continues to be higher than the National PCI. This is substantially due to the stabilisation in population.

Agriculture

Agriculture is the backbone of rural economy with 62 per cent of the total population depending on it. Agriculture contributes nearly 17% of the total GSDP. Since Agriculture is a gamble of monsoons, inadequate and the spacio-temporal asymmetric distribution of rainfall during the monsoon affects both the area and production of principal crops. The State's agricultural production mainly depends on the North East monsoon which is generally erratic and the entire precipitation from which is confined to a limited period. None of the rivers in the State is perennial and nearly half of the crop in the State continues to be rain-fed.

In 2003-04 the overall rainfall was normal only in fifteen districts, while it was deficient in 10 districts, whereas 12 districts received normal rainfall in South West monsoon and 17 districts in North East monsoon. The State has received an average rainfall of 329.6 mm during the South West monsoon which is less by 0.6% compared to the normal rainfall of 331.5 mm. Similarly, an average rainfall of 404.5 mm was received during North East monsoon, lesser by 12.9% compared to the normal rainfall of 464.6 mm during North East Monsoon. Inadequate rainfall during monsoon coupled with lack of release of water in the river Cauvery aggravated the situation. The problem was compounded by the fact that the previous two years were also drought years and the delta farmers had lost four consecutive crops in the last two years and the fifth during 2003-04.

The area and production of principal crops during 2001-02 to 2003-04 are given in the Table below.

Area and Production of Principal crops in Tamil Nadu

Area in lakh Hectares/ Production in lakh Tonnes

Sl. No.	Crop	April-March					
		2001-02		2002-2003		2003-2004	
		Area	Production	Area	Production	Area	Production
1	2	3	4	5	6	7	8
1	Paddy# Kuruvai	3.11	12.18	1.85	6.23	1.09	3.51
	Samba/	15.06	45.15	12.04	25.82	10.52	23.56
	Navarai/ Kodai	2.42	8.50	1.27	3.72	2.54	8.43
	Total	20.60	65.84	15.17	35.77	14.15	35.50
2	Cholam, Cumbu, Ragi	5.67	6.63	5.26	4.40	8.06	9.37
3	Other Millets	1.34	1.69	1.79	2.39	2.43	3.43
4	Other Cereals	0.06	.02	0.07	0.04	0.09	0.05
5	Pulses	6.85	2.71	5.63	2.00	6.26	2.67
6	Total Food grains	34.52	76.89	27.92	44.60	30.99	51.02
7	Sugarcane	3.21	33.19	2.61	24.17	1.85	19.71
8	Cotton	1.64	2.30	0.76	0.84	1.04	1.80
9	Groundnut	6.63	12.50	5.02	7.17	6.35	11.18
10	Gingelly	0.84	0.46	0.64	0.28	1.18	0.62

- Production in terms of rice.

(*) Sugarcane production in terms of Gur ('000 tonnes)

(**) Cotton production in terms of Bales ('000 Bales)

Source: DOES

Due to inadequate and uneven distribution of rainfall and non-release of Cauvery water by Karnataka, the area coverage under paddy during April 2003-March 2004 declined by 5.27% from that in the corresponding period 2002-03 and the production would also be somewhat lesser. The level of water in major reservoirs, particularly Mettur, was very low resulting in lesser coverage in delta districts. The State lost substantial area under Kuruvai in delta districts and as against normal area of 2.074 Lakh Ha. the actual coverage was 0.465 L. Ha. On the whole only 14.15 L. Ha. was covered under paddy, but the overall area and production under food grains has increased due to higher area under millets, other cereals and pulses.

The area under Cholam, Cumbu and Ragi, Cotton red gram and onion increased as a result of crop diversification strategy (less water intensive crops like millets, pulses, oilseeds were encouraged in place of water intensive crops such as paddy & sugarcane) offsetting the reduction in paddy area. The area under groundnut increased significantly while that under sugarcane decreased.

The State has already reached the frontiers of available land and other resources. In the context of the limited scope for increasing the net area sown, the only way to augment agricultural production is by increasing productivity. This is possible through water use efficiency and agricultural technology development. A comprehensive wasteland development programme has been taken up to cover 2 million hectares of

cultivable waste lands over a span of 5 years to bring fallow lands owned by individual farmers under productive economic activity through agri - clinical approach and development of Government lands along with an associated rural industry by involving corporate houses and federation of SHGs.

In the survival oriented dry land agriculture, intercropping system is essential to buffer against the total failure of crops and also to distribute the risk. Certain crops such as rice and sugarcane are water-intensive and, therefore, change from paddy and sugarcane to less water intensive crops like pulses, oil seeds and horticulture has been taken up as part of the strategy for crop-diversification. In order to take care of fluctuations of rainfall and scarcity of water, the Tamil Nadu Agriculture University has developed a suitable module alternate cropping plan for normal, moderate drought and severe drought scenario for command area, tank fed areas, well irrigated areas and rain fed areas for all the seven agro climatic zones in the State. The alternate cropping plan is being propagated by Agriculture department. Micro irrigation through drip and sprinkler irrigation is being promoted and precision farming has been initiated in order to increase productivity and save water consumption.

Balanced and conjunctive use of organic and inorganic fertilizers and INM and eco-friendly IPM for reducing crop loss is being extended to cover larger areas. For promoting balanced fertilizer use, site specific or village level fertilizer recommendation is being made employing precision farming tools devised by TNAU like DSSIFFER and Visual Diagnostic Kit (VDK).

In horticulture which is considered as the engine of growth, the thrust is on technology transfer by farmers' training in scientific cultivation, post harvest technology, study tours, demonstration farms, use of bio-technology, supply of quality planting/pedigree materials, drip irrigation, high tech green house for floriculture etc.

Agri-Export Zones (AEZ) are being established for cut flowers in Hosur in Dharmapuri and The Nilgiris Districts, for Mango in Theni District. Further, AEZs are proposed for cashew in Cuddalore District, Banana in Trichy District, Grapes in Theni District, Turmeric in Erode District, Medicinal plants in Tuticorin District and for onion in Coimbatore and Dindigul Districts. A Food Park is being established in Nilakottai.

Drought

The State Government brought to the notice of the Centre the prevailing drought and drinking water shortage affecting the State and sought an assistance Rs. 1584 crores and 10.8 LMT of foodgrains. The Central team visited the State to assess the drought situation and drinking water shortage in February 2004. The team inspected Chennai, Kancheepuram, Tiruvallur, Vellore Dharmapuri Salem, Namakkal, Karur and the delta districts - Thanjavur, Nagapattinam, Tiruvarur Pudukottai and Tiruchi. The Centre released an amount of Rs. 292 crores to the State from National Calamity Contingency Fund for drought relief including an amount of Rs. 154 crores for drinking water supply and 3 LMT of foodgrains towards drought relief assistance.

As a drought relief measure, the poor agricultural families were supplied 30 Kg of Rice per family per month from 4.2.03 who had registered for the noon meal scheme, benefitting 14.64 lakh families at a cost of Rs. 16.5 crore per month. This programme came to a close with effect from 1.09.03. Employment generation works like deepening of ponds, desilting of tanks and supply channels, formation of link roads and construction farm ponds were taken under the special component of SGRY programme.

Industries

Next to agriculture sector, the Industrial sector employs majority of the population. Tamil Nadu is the third industrialized State in the country and ranks second in terms of manufacturing sector's contribution to GSDP. The major industries are cotton textiles and products, rubber, food products, machinery, and transport equipments and leather and leather goods. The State Government announced certain supportive policy reforms to accelerate industrial growth. Tamil Nadu has emerged as the highly favoured destination of investors through its investor-friendly and transparent decision making. It is one of the major recipient of outside investments, particularly of foreign direct investment. Several multi-nationals such as Ford Motors of USA, Hyundai, Korea, Mitsubishi of Japan, St. Gobain of France have established their units in Tamil Nadu. Global economic downturn has affected the growth of this sector during 2002-03. Revival of manufacturing sector is imperative. The new Industrial Policy announced in 2003 and the Policy for Small Scale Industries under consideration are expected to stimulate industrial development.

According to a report in The Financial Express of 5th July 2004, the southern growth corridor, comprising Tamil Nadu, Andhra Pradesh and Karnataka is way ahead of other regions of the country in attracting investment in fiscal 2004 as well. Also, the region has so far attracted over 26 per cent of the total outstanding investment in the country since the opening up of the economy.

Share in Outstanding Investment (in Rs. crore)					
State	March'03	% share	March'04	% share	Y-on-Y Growth
Tamil Nadu	143527	8.0	159751	7.9	11.3
Karnataka	144547	8.0	151655	7.5	4.9
Andhra Pradesh	146527	8.1	142941	7.1	-2.4
Kerala	52161	2.9	73179	3.6	40.3
Total	486762	27.0	527526	26.1	13.5

On a State-by-State basis, Maharashtra and Gujarat have attracted maximum investments and cornered investments till fiscal 2004 of Rs.2,20,019 crore and Rs.1,69,736 crore accounting for 10.9% and 8.4% respectively of the country's total, while investment growth in southern corridor is spearheaded by Tamil Nadu, followed by Andhra Pradesh and Karnataka.

According to the latest investment survey, south Indian States, mainly Andhra Pradesh, Tamil Nadu and Karnataka with Kerala as a distant outlayer, have garnered 26.1% of the total investments committed by the public sector and private sector till fiscal 2004.

The south has attracted a total of Rs.5,27,526 crore worth investments out of a total outstanding investment of Rs.20,21,698 crore, as of March 2004.

According to observers, the data give credence to some earlier reports, that suggested the emergence of the southern growth corridor passing through Karnataka, Andhra Pradesh and Tamil Nadu. Moreso, southern states are not experiencing a services-led growth but 'real' growth led by the Manufacturing sector, they pointed out.

Tamil Nadu leads the pack in the south with Rs.1,59,751 crore worth outstanding investments, or 7.5% of the all-India numbers, compared with Rs.1,43,527 crore, or 8%, of the total investment during the previous year.

Karnataka finished fourth with Rs.1,51,655 crore, or 7.5% of the total while Andhra Pradesh finished fifth with an investment of Rs.1,42,941 crore, accounting for 7.1%.

In terms of the Project Implementation ratio (PIR), the PIR remained at 33% in Tamil Nadu. [PIR ranges between 1 and 100 with 100 denoting the highest value. The ratio is calculated by dividing outstanding projects that include projects under execution, including partially completed ones divided by total investments].

Hot Destinations for Capital Flow

(in Rs. crore)

State	March'03	% share	March'04	% share	Y-on-Y Growth
Maharashtra	194911	10.81	220019	10.9	12.9
Gujarat	156300	8.67	169736	8.4	8.6
Tamil Nadu	143527	8.0	159751	7.9	11.3
Karnataka	144547	8.0	151655	7.5	4.9
Andhra Pradesh	146527	8.1	142941	7.1	-2.4
Orissa	108977	6.05	128966	6.4	18.3
Uttar Pradesh	90347	5.01	103637	5.1	14.7
West Bengal	79278	4.40	92127	4.6	16.2
Kerala	52161	2.9	73179	3.6	40.3
Madhya Pradesh	53337	2.96	68410	3.4	28.3
Jharkhand	52441	2.91	53070	2.6	1.2
Himachal Pradesh	43021	2.39	46326	2.3	7.7
Rajasthan	37174	2.06	43058	2.1	15.8
Chattisgarh	35219	1.95	39757	2	12.9
Delhi	36391	2.02	39582	2	8.8
Haryana	36229	2.01	37157	1.9	3.4
Jammu & Kashmir	23691	1.31	37806	1.9	59.6
Punjab	29111	1.62	35923	1.8	23.4
Arunachal Pradesh	2458	0.14	31396	1.6	1177.3
Bihar	26758	1.48	31752	1.6	18.7
Uttaranchal	19129	1.06	23858	1.2	24.7
Assam	14348	0.80	16573	0.8	15.5
Sikkim	5772	0.32	11568	0.6	100.4
Goa	6376	0.35	7222	0.4	13.3
Tripura	7167	0.40	4951	0.2	30.9
Manipur	1145	0.06	1242	0.1	8.5
Meghalaya	1393	0.08	1881	0.1	35.0
Mizoram	1693	0.09	1731	0.1	2.2
Dadra, N'haveli	1283	0.07	1253	0.1	-2.3
Pondicherry	1005	0.06	1530	0.1	52.2
Nagaland	292	0.02	348	0	19.2
A & N Islands	204	0.01	322	0	57.8
Chandigarh	170	0.01	234	0	37.6
Daman & Diu	365	0.02	211	0	-42.2
Lakshadweep	18	0.00	58	0	222.2
Multi States	207932	11.54	209287	10.4	0.7
Offshore	18624	1.03	18762	0.9	0.7
Unallocated	22953	1.27	14192	0.7	-38.2
All-India	1802277	100.00	2021698	100	12.2

The Industrial Policy announced in September 2003 provides for second generation reforms based on labour and fiscal reforms and business deregulation. It envisages:

- Rapid infrastructure Development with Public-Private partnership models.
- Labour reforms with a human face
- Fiscal Reforms
- Industrial Promotion & Business deregulation with simplification of procedures
- Technological modernization and upgradation with quality energy supply.

Index of Industrial Production

The overall cumulative Index of Industrial Production (IIP) for Tamil Nadu (Base: 1993 - 94 = 100) during 2003-2004 (April-March) registered a positive growth of 1.8% as against a positive growth of 2.4% in 2002-03.

During the period April-March 2003-04, the growth of Mining, Manufacturing and Electricity sectors was 11.2%, 1.6% and 1.4% as against 6.3%, 2.4% and 0.3% in the previous year respectively.

During (April-March) 2003-04, out of 15 subgroups under the Manufacturing sector, 8 subgroups reported a positive growth ranging from 5.7% to 20.4% and the remaining 7 subgroups registered a negative growth varying from 1.2% to 15.4% over the previous year.

The subgroup Other Manufacturing Industries has shown the highest growth of 20.4% followed by Transport Equipments and parts of 15.6% and then by Machinery and Equipments other than Transport equipments with 11.6% and Beverages, Tobacco and Tobacco products with 9.5%. On the other hand, Wool, silk & Synthetic Fibre Textiles has shown a negative growth of 15.4% followed by Leather and Leather Products with 8.2%, and Paper and Paper products, Printing, publishing and allied industries with 6.9%.

In the Use-Based Classification, capital goods sector registered a positive growth of 16.9% in (April-March) 2003-04 as against 7.8% in the previous year. Basic goods production also rose by 3.1% against -0.5% in previous year. Intermediate goods, which have the highest weightage in use-based classification, increased by 1.8%. Consumer goods exhibited a fall of 4.3% in which Consumer durables showed a growth of 5.7% whereas Consumer non-durable goods was down by 6.8%.

Index of Industrial Production

Name of the Sector	Weight	April-March	
		2002-03	2003-04
1	2	3	4
Mining	12.70	142.8	158.8
Manufacturing *	920.13	128.4	130.0
Electricity	67.17	161.8	163.3
General Index	1000.00	130.3	132.6
Basic Goods	229.92	129.7	133.8
Capital Goods	120.81	116.8	136.5

Intermediate Goods	360.83	126.0	128.3
Consumer Goods	288.44	141.7	135.5
Consumer Durable Goods	63.95	125.4	132.5
Consumer Non-Durable Goods	224.49	146.3	136.4
General Index	1000.00	130.3	132.6

It may be mentioned here that as indicated elsewhere IIP is a proxy indicator adopted till ASI data becomes available, and that it has its limitations as a measure of Industrial growth.

Small Scale Industries

The contribution of the SSI sector is next only to agriculture in employment generation. The spread of these SSI units ranges from micro enterprises to sophisticated modern small units. The number of permanent registered units has increased from 2.95 lakhs in 1997-98 to 4.20 lakhs in 2001-02.

Till 31st March 2004, 474699 SSI units had been registered with an investment of Rs.13291.50 crores, providing employment to 3417832 persons as against 448905 SSI units registered in 2002-03 with an investment of Rs.12569.34 crores providing employment to 3142335 persons. However, sickness of SSI units is a serious problem and the number of closed units in Tamil Nadu according to the 3rd All India Census of SSIs (for reference year 2001-02) was 16.21%.

The Tamil Nadu Small Industries Development Corporation and its counterparts in Karnataka and Kerala have entered into an agreement to assist small scale industries (SSIs), procure raw materials, and cooperate in implementing other schemes to encourage SSIs which will help them counter the steep increase in the price of Metallic raw materials. It is planned to jointly procure raw materials such as aluminium, pig iron, coke, wax, scrap and plastic granules. A Working Group has been constituted with representatives of the three Corporations to coordinate the orders. After the approval of SAIL, this agreement is expected to be implemented in this current year. The other areas of collaboration include joint efforts in the industrial estate schemes and marketing of SSI products, exploring opportunities for development of industrial estates, industrial infrastructure improvement schemes and cluster development schemes.

Foreign Direct Investment

Tamil Nadu has emerged as a leading State in Southern India in the area of attracting FDI. Tamil Nadu ranks third in the country in flow of FDI. It is emerging as "blue chip" State for various investments. While Maharashtra occupies 1st position with 4763 approvals (from August 91 upto January 2004) to the value of Rs. 50833 crores and Delhi 2nd position with 2594 approvals to a value of Rs.35142.49 crores, Tamil Nadu is third with 2583 approvals to a value of Rs.25055.99 crores. Karnataka has been ranked number four with 2411 approvals to a value of Rs.24002.41 crores, Gujarat fifth with 1192 approvals to a value of Rs. 18834 crores and Andhra Pradesh occupies the sixth position with 1200 approvals for a value of Rs.13406.76 cores. With many incentives and single-window schemes in operation, Tamil Nadu is doing very well in foreign direct approvals.

Though the investment approvals have increased significantly over the last decades the actual inflow was not substantial. The actual inflow of the approved amount during April 1991 – April 2002 has been 33.92% as against 30.4% up to 2001 at the

National level. The actual flow of the approved amount up to April 2002 for the major States is given below.

States	April 2002 (%)
Gujarat	49.56
Maharashtra	46.64
Andhra Pradesh	44.08
Tamil Nadu	33.92
Karnataka	29.49
Orissa	32.67
West Bengal	32.27
Uttar Pradesh	44.27
Kerala	12.43
Madhya Pradesh	67.86

IT industry

There has been a phenomenal growth of software industry in Tamil Nadu since 1993-94. The State is the 2nd largest software exporter in the country next to Karnataka. The number of software companies which was 10 in 1993-94 has increased to 936 in 2003-04. The IT exports are estimated to be Rs.7,740.38 crores in 2003-04, comprising software exports worth of Rs.7,621.50 crores and Hardware exports Rs.118.88 crores. For the country as a whole, the Software exports from Software Technology Parks of India (STPI) are estimated to have touched Rs.46,500 crores during 2003-04. The Software Exports from Tamil Nadu estimated at Rs.7621.50 crores in 2003-04 represents 16% of the country's Software export.

The growth of software and hardware industries in Tamil Nadu is shown below.

Growth of Software/ Hardware Industry in Tamil Nadu

Fiscal Year	No. of Companies	Exports (Rs. in crores)
a) Software industry-		
1993-94	10	2.4
1994-95	23	12.2
1995-96	34	37.0
1996-97	69	164.4
1997-98	108	393.0
1998-99	166	1246.0
1999-2000	601	1914.0
2000-01	766	3116.0
2001-02	865	5223.0
2002-03	934	6315.51
2003-04	936	7621.50
b) Hardware industry-		
1998-99	6	351.35
1999-2000	8	399.82
2000-01	12	575.65
2001-02	10	482.43
2002-03	11	698.25
2003-04	11	118.88

Source: Software Technology Parks of India, Chennai

The IT industry in the State now employs nearly 50,000 highly qualified professionals. Tamil Nadu was the first State to come out with a comprehensive IT policy. This has been supplanted by the Policy of 2002. The vision is to put the smile of prosperity on the face of every citizen of Tamil Nadu by leveraging Information Technology (IT) to create value and wealth for a knowledge based state. The objectives of the new Policy are to establish Tamil Nadu as the Destination of choice for IT investments, to upgrade the quality of life for the citizens through e-governance and IT applications in Government, to bridge the digital divide particularly in rural areas and to promote the use of Tamil in IT.

As against 75 new software units that have brought in FDI worth Rs.35 crores in the year 2002-03, more than 110 new software units have been established in the year 2003-04 with FDI of about Rs.60 crores in the State. Out of the new units, 71 are small and medium size units investing Rs.20 lakhs and below, 20 units are wholly owned subsidiaries of US based firms. Similarly the number of new units in ITES have been doubled to 68 in 2003-04, besides 11 new BPOs as compared to 7 in the year 2002-03.

The State Government has taken various initiatives to promote the growth of IT industry by developing Tier - II cities, providing necessary infrastructure, supporting IT education and promotion of IT Parks. During this year, 47 companies have set up operations in Tamil Nadu, of which 6 are MNCs.

The presence of two major ports namely Chennai Port Trust and Ennore Port Trust is an added advantage to the city over others. The construction of a World class Express Way on the IT corridor in Chennai undertaken by the Tamil Nadu Road Development Corporation would begin in June 2004 and is expected to be completed by March 2005. The corridor will have six lane traffic, service ducts, cross ducts, bus base and shelter for passengers and will be connected with the East Coast Road. In the first phase, a 20 km. stretch starting from Madhya Kailash junction to Siruseri will be taken up with well maintained landscape. The stretch from Siruseri to Mahabalipuram will be taken up in the second phase. The corridor will be developed as a toll road and to global standards. Of the Rs.100 crores estimated for the first phase, Rs.30 crores will be set apart for overhead cables on the corridor into underground cables. A bayside Park on a 3 acre plot will also be set up with public-private participation. The express corridor will see major developments and initiatives such as Phase I of the New IT Park (5 lakh sq.ft.), the TIDCO Centre for Life Science (in collaboration with Cornell University, United States), Telemedicine facilities by Appollo Hospitals, Engineering colleges and institutions. Besides IT companies such as WIPRO, Infosys, TCS, Cognizant and Polaris will be located on this corridor.

IT Connectivity

IT and communication can help in a big way in the empowerment of the people and upgrading the quality of their life through e-governance and in providing faster and efficient delivery services. IT can bring about a major transformation only if connectivity is ensured in both rural and urban areas. Tamil Nadu has now a fibre optic cable network of more than 14,000 km set up by both private and PSUs, across the State, to provide faster and reliable connectivity. This network will be used for electronic delivery of services and e-governance operations. To provide connectivity through telephone and internet access to the rural community a pilot project Sustainable Access in Rural India (SARI) was implemented in Madurai district. This was upgraded as Rural Access to Services through Internet (RASI) and it is planned to cover all the districts in the State.

This will enable the people to obtain information from Rural Internet Kiosks on rainfall, prices, weather forecast, agriculture and veterinary services, health, education and other essential services such as obtaining birth, income, death and community certificates.

In the year 2003-04, Video Conferencing Network, linking all the District Headquarters has been set up. Communication Network wireless phones of High Frequency/ Very High Frequency has been established in the 13 coastal districts for Calamity Relief and Emergency communication. A massive and comprehensive computerization of Registration Department was undertaken under Project STAR (Simplified and Transparent Administration of Registration) to enable speedy issue of Encumbrance Certificates, Document Registration, land guideline value information, etc. Phase I of STAR covered 25 sub-Reg. Offices and Phase II 225 offices. The balance offices will be covered in Phase III. Many of the service departments such as Transport Department, (computerization of RTO/ unit offices to provide computerized laminated Driving Licences etc), Revenue Department (computerization of Land Records under Tamil Nadu Infosystem Land Administration and Management), Employment & Training etc., computerized their activities so as to provide better services to the public.

Power Sector

There was an increase in installed capacity by 1013 MW during 2003-04. With this, the total installed capacity of the State reached 9255 MW in 2003-04 against the installed capacity of 8238 MW during 2002-03 - an increase of 12.35% over 2002-03. Out of the total installed capacity, 58% is from State's own projects, 31% from Central sector projects and the remaining 11% from Private sector projects. The Generation during 2003 -2004, was 24114 MU, which meant a decline from the previous year by 3.27%. This was mainly due to poor storages in the reservoirs as a result of which the hydro generation witnessed a steep fall (-24.13%). The hydro energy generated was only 2067 MU during 2003-2004. The Thermal energy generated during the same period was 20431 MU, Wind energy 24 MU and Gas energy 1592 MU. Though there is considerable decline in the generation of hydro and thermal energy, the other two sources of energy viz. Wind and Gas have shown an increase with 36.68% and 43.82% respectively over the previous year's (2002-03) generation.

As a result of reduction in generation and increase in demand, the Power purchase had to be stepped up from Central generation plants by 18.10%, the purchase being 25345 MU. Hence, the total availability of Power was 49459 MU during 2003-04, which is higher than the availability of 46389 MU during 2002-03 by 6.62%.

Performance of Power Sector

Indicators	2001-02	2002-03	2003-04	Variation 2002-03 to 2003-04
Installed Capacity (MW)	7763	8238	9255	12.35%
State's own Projects	5194	5277	5341	1.21%
Central Power Sector Projects	1771	1903	2852	49.87%
Private Sector Projects	798	1058	1062	0.38%
Power Generation (MU)	25562	24929	24114	-3.27%
Hydro	4350	2724	2067	-24.13%

Thermal	20325	21080	20431	-3.08%
Wind	17	18	24	36.68%
Gas	870	1107	1592	43.82%
Power Purchase (MU)	18358	21460	25345	18.10%
Total Availability	49320	46389	49459	6.62%
Peak Demand	6574	6960	7247	4.12%

The plant load factor of TNEB's thermal stations during April- Dec 2003 was as follows:

Ennore: 31.97%,
Tuticorin 87.64%
Mettur 91.28%
& North Chennai 78.57%

The percapita consumption has increased from 489 units in 1999-2000 to 510 in 2000-01, 567 in 2001-02 and 586 units in 2002-03.

Tamil Nadu is one among the 21 States where SERC were constituted. The orders for tariff rationalization as recommended by TNERC were issued. TNERC had recommended, as part of the Power reforms measures, compulsory metering of all connections, a final charge of Rs.250/H.P. per annum for unmetered connections and 20 paise/ unit for metered connections. The State has a total of 17 lakh farm connections, of which 1.5 lakhs are self financing and paying an annual fee of Rs.250/hp. The first billing cycle commenced in September 2003. Out of the total 15.24 lakh farms, 13.36 lakh farmers remitted Rs.81.85 crores towards tariff to TNEB. 7.5 lakh rural hut dwellers paid Rs.4.5 crores.

In response to the representations from the farming community who were severely affected by the monsoon failure, the Government introduced a cash support scheme for 9.4 lakh small and marginal farmers. Farmers having pump sets of capacity ≤ 3 hp received cash support from the Government, which was Rs.1000 per annum in two instalments, and for farmers having capacity ≥ 5 hp Rs.1250 per annum in two instalments. Later, the support was extended to all farmers irrespective of the size of their operational holdings benefiting about 15.32 lakh farmers. The levy of charge on power supply to farm sector has been fully withdrawn with effect from 18.05.04.

Transport & Communication

State Transport Undertakings

The fleet strength of STUs was 16664 as on 31.03.04 and it is planned to add 2500 buses to the existing fleet. The revenue earned by the STUs was Rs.3358.57 crores during 2003-04. Constant increase in fuel price is impinging on the Profit and Loss Accounts of the STUs. The loss of the STUs went up from Rs. 4.21 crores in 2002-03 to Rs. 32.13 crores in 2003-04.

The STUs are having accumulated liabilities towards the amount payable for supply of HSD oil, lubricant, supply of spare parts, statutory dues like Provident Fund, gratuity, accident claims, loan, default to TDFC etc. The STUs can come out of financial crisis only after clearing the above liabilities.

The performance of the STUs in terms of effective kms, revenue earned / expenditure incurred etc. with the fleet strength is given below:

I. Performance of the STUs since 1991-92

Year	Fleet Strength	Effective kms in lakhs	Total Revenue	Total Expenditure	Extent of coverage of expenditure by revenue
			(Rs. in crores)		
1991-92	13972	17202	991.52	1017.79	97%
1996-97	16628	21306	1696.67	2006.60	84%
1997-98	17284	22243	2069.79	2297.04	90%
2000-01	16969	22902	2815.54	3048.38	92%
2001-02	16797	22358	2921.60	3020.46	97%
2002-03	16670	22937	3231.32	3235.53	99.8%
2003-04 (pre audit)	16664	23325	3358.57	3390.70	99%

II. Performance up to 31.3.2004 and Forecast for 2004-05

Details	Performance during January-March		Performance during April - March		Forecast for 2004-05
	2002-03	2003-04	2002-03	2003-04	
Total Revenue	816.16	843.47	3231.32	3358.57	3500.54
Total Expenses	857.09	885.66	3235.53	3390.70	3697.22
HSD cost	284.28	316.80	1060.27	1186.20	1378.61
Establishment cost	350.23	355.53	1367.17	1395.45	1469.29
Book Profit/Loss	-40.93	-42.19	-4.21	-32.13	-196.68
Cash Loss / Generation	-26.76	-23.61	+102.03	+58.58	-67.56

Roads & Road Transport

The total road length of Tamil Nadu under various categories is 1,79,319 Kms out of which National Highways is 3865 Kms, State Highways 7163 Kms, MDR 7362 Kms and Other District Roads 40963 Kms. In Tamil Nadu, of the total 3865 km of NH, 342 km of NH under Golden Quadrilateral schemes and 851 km of NH under North-South Corridor were taken up for 4-laning by NHAI. Also 507 Kms of National Highways covering other areas of the State are being covered. The Tamil Nadu Road Sector Project which has been launched with an outlay Rs. 2160 crores will enable the construction of 393 Kms of State Highways between Arcot and Thiruvavur and 330-Kms linking Nagapattinam and Thoothukudi. This project includes upgradation of nearly 723 Kms of the total length of 14,576 Kms. In addition to these, roads of other categories MDRs, ODRs, PU and Panchayat Roads are taken up under NABARD's RIDF. Of the total length of 41,125 Kms of Other District Roads, 4273 Km length of roads have been upgraded during 2003-04, and a length of 6492 Kms covering all bus routes has been sanctioned at a total cost of Rs. 336.05 crores. The Government has sanctioned for upgrading, relaying and special repairs of 5850 Kms of Panchayat and Panchayat Union roads at a cost of Rs. 300 crores.

Under the Prime Minister's Gram Sadak Yojana, 1216.57 Kms of village roads have been taken up at a cost of Rs. 164 crores, providing good all-weather roads in rural areas.

The increase in the output of economy in terms of per capita income is often reflected in the rise in the standard of living, increase in purchasing capacity, increase of personalised motor vehicles. As income level increases, there is a marked preference towards improving facilities, comforts, acquiring movable and immovable properties etc. In particular, the increase in the no. of two wheelers and motor cars indicates the preference for personalized mode of transport. There is a tremendous increase in the vehicle population and from 40.07 lakhs on 1.1.2000 the number went up to 65.91 lakhs on 1.1.2004.

This number comprises of 468715 transport vehicles, and 61,22,509 non-transport vehicles. The share of non-transport vehicles comes to 93% of the total vehicle population. Among this category, two-wheelers account for 88% indicating the popularity of this mode of transport among the common public and next to this, motorcars account for 9.03% of the non-transport vehicles. Out of 468715 transport vehicles, 16719 are Public transport vehicles and 237766 are goods carriages and the remaining contract and private carriages. Increasing population of vehicles on the limited available infrastructure will inevitably add to air pollution in terms of increased levels of ppm in the atmosphere. This is a cause of concern in terms of rising social cost and the STU has introduced 127 EURO – 2 buses to reduce pollution in the Chennai city. Further 534 buses of EURO-2 would be added to the existing fleet.

Tourism

Tourism promotes international understanding. It generates innumerable benefits both in social and economic spheres. As an important global industry it offers immense potential for employment generation. Tamil Nadu known for its rich cultural heritage, has bountiful tourist spots as well as temples monuments, places of religious importance etc. and attracts tourists all around the year. Tamil Nadu stands 3rd in domestic tourist and 4th in foreign tourist arrivals. Tamil Nadu hosted the India's first ever SKAL Congress in October 2003, in which the Seven Point Action Plan for tourism promotion in the State was outlined by the Chief Minister. During the year 1997, 189.3 lakhs domestic tourists and 6.4 lakhs foreign tourists visited the State. It rose to 229.8 lakhs and 7.9 lakhs respectively in 2000 and 246.61 lakhs and 8.04 lakhs in 2002. In 2003, 270.67 lakhs domestic tourists and 9.02 lakhs foreign tourists visited the State. In 2003, the domestic tourist arrivals increased by 9.8% and the foreign tourist arrival increased by 12.0%. The share of domestic tourists during 2003 was 96.8% and that of the foreign tourists was 3.2% The foreign exchange earnings which was Rs. 628 crores in 1993 has increased to Rs.1803 crores in 2003.

In the coming days, the Tourism Department and the Tamil Nadu Tourism Development Corporation will assume the role of facilitators i.e. will involve the private investors in tourism development schemes. The process of private participation includes

- a. Franchising of hotels owned by TTDC to private parties. So far 10 hotels and 3 restaurants have been franchised by the TTDC.
- b. Appointment of private marketing agents abroad
- c. Engaging of private marketing consultants to handle Promotion and Marketing activities.

Price Behaviour

The Wholesale Price Index of all commodities for the month of January 2004 stood at 1357.35 points as against 1304.60 in January 2003 showing an increase of 4.04%. The index of primary articles for the month of January 2004 stood at 1346.32 as compared to 1293.92 points in January 2003 registering an increase of 4.05% due to the upward trend in the indices of Food and Non Food articles. Similarly, the index of fuel power and light stood at 2350.09 points in January 2004 against 2143.79 points in January 2003 showing an increase of 9.6%. Also, the index of manufactured products registered an increase of 3.33% by moving to 1297.08 points in January 2004 compared to 1255.27 points in January 2003 because of the increasing trend in the indices of some of the items under manufacturing.

The Consumer Price Index (CPI) for Industrial workers moved up to 511 as compared to 500 for All India in 2003-04. The Consumer Price Index for UNME urban non-manual employees and agriculture labourers were 403 and 353 compared to 420 and 331 respectively at the National level. The inflation in terms of CPI for Industrial Workers and UNME stood at 3.8 and 3.2 which is below the National average. However, the CPI for agricultural labourer reported to be 6.1 is above the National level of 3.9%

Public Distribution System

The State has a strong network of PDS to cater to the needs of the poor to enhance their nutritional status. This is called the universal PDS, i.e. it is not based on income criterion but covers all families for supply of rice at a price much less than the BPL price fixed by Government of India under the targeted PDS (TPDS). Essential commodities like rice, wheat, edible oil, sugar, kerosene etc. are distributed to the poor through Fair Price shops. There are 28132 fair price shops functioning in the State of which 26,279 are run by cooperatives, 1,149 by TNCSC, 36 mobile shops and 510 shops run by women and others 158.

The Government of India allotted 4,75,863 MT of rice per month for Tamil Nadu under PDS. The allotment of rice by Government of India is @ Rs. 5.65/ Kg. For BPL and Rs. 8.30 /kg for APL families. Out of the total 1.61 crore card holders in the State, 1.12 crore card holders were drawing rice under PDS as on 15.08.2003.

After carefully studying the pattern of consumption, the Government issued orders on 18.8.2003 stopping supply of essential commodities to cardholders with family income of more than Rs. 5000 per month so that there was no misuse of the articles drawn from Public Distribution System. Such cards were stamped as Honorary cards (H cards) so that the cards could still serve as identity cards. About 18 lakh 'H' cardholders were not entitled to draw essential commodities. The Government introduced Rice coupons for those who have opted for rice, in order to weed out bogus cards. Out of the 1.36 crore of such cardholders who opted to draw rice, 1.12 crore were issued rice coupons. A maximum of 20 kilos per card per month is issued at a price of Rs.3.50 per kg. With these decisions, the off-take of essential commodities declined. The subsidy commitment of the Government through PDS was estimated to be around Rs. 800 crores per annum. However, taking note of the representations from the public, the Government have withdrawn in May 2004 the "H" stamping of cards enabling once again all card holders to draw all essential commodities irrespective of their income.

The off-take of rice during April-March 2003-04 was 20.37 LMT as compared to 21.52 LMT in the same period of last year. The off-take of essential commodities was

less in 2003-04 i.e. rice by 4.8%, sugar by 43% and kerosene by 4.4% compared to 2002-03 due to the income ceiling of Rs.5000 for drawal of commodities through PDS. The allotment of rice by Government of India from Central Pool is upto April - March 2003-04 is 57.10 LMT and Tamil Nadu Civil Supplies Corporation had procured 2.91 LMT of rice under Decentralized Procurement System. The State adopts the MSP fixed by the GOI for the procurement of paddy. In the interest of farmers, the Govt. offers incentives/ incidental charges over and above the MSP. The procurement price of paddy under DPS is fixed at Rs. 550 per quintal for ordinary variety and Rs. 580 per quintal for fine / superfine variety.

Employment & Poverty

The estimated no.of workers in the State as per NSS 55th 1999-2000 was 289.80 lakhs of which 182.40 lakhs were males and 107.30 lakhs females. The primary sector employment accounted for 50%, secondary sector 23.6% and tertiary sector 26.1%. The unemployment rate on the basis of current daily status rate was estimated to be 12.05% which corresponds to 36 lakh persons. According to statistics on employment collected (on quarterly basis) under Employment Exchanges (Compulsory Notification of Vacancies) Act 1959, from both public sector and such of those private sector establishments which employ ≥ 25 persons with certain exceptions like domestic services, agriculture services etc., the number of people employed in the above establishments in the State as on 31.12.2003 was 22,84,183 of which 15,55,629 were employed in public sector and 7,25,554 in private sector out of which women employment is 6.83 lakhs i.e.30%. This may be compared with the position as on 31.03.2003, viz., number of workers employed in the above establishments, was 24.02 lakhs of which 15.70 lakhs were employed in Public sector, and 8.32 lakhs were employed in private sector .

The position in regard to educated unemployed is a matter of concern. Nearly 49.85 lakh job seekers were in the Live Register of employment exchanges by the end of March 2004 and the Placement - Registration ratio in 2003 was 9.2%. There is improvement in terms of number of placements. The no. of placements which was 15751 in 2000 increased to 30714 in 2003. The Directorate of Employment and Training has through the Employment Exchanges taken up the role of facilitating placement of registered candidates in private sector taking note of decrease in employment opportunities in public sector and an interactive online job portal has been launched for this purpose.

The percentage of people living Below Poverty Line (BPL) in 1999-00 was 21.12% against all India average of 26.1%. In terms of population, 80.51 lakhs of rural and 49.97 lakhs of urban population live below poverty line. There has been substantial reduction in poverty, which is evident from the figures of poverty ratio. The ratio which was 51.66% in 1983, reduced to 35.03% in 1993-94 and to 21.12% in 1999-00. The reduction by almost half has been possible through the implementation of poverty alleviation schemes, Noon-meal schemes covering school children and oldage pensioners and implementation of ICDS, TINP and other nutrition projects.

Since more than half of the population is still dependent on agriculture and the labour force exceeds the availability of employment opportunities, any slight disturbance such as failure of a crop, drought, natural calamities, would hit this populace, forcing them into poverty. Since, the majority of this labour force is unskilled, alternate employment except in construction activities etc., seems to be remote. The average

output per worker in this sector has increased marginally compared to that in other sectors widening the distribution of income – consumption. Economic growth which is a prerequisite for development of society and has potential of creating more space for the involvement of the poor, is a slow and long-drawn process and can not be achieved over-night. The monitorable targets for Tamil Nadu aim at reducing poverty ratio from 21.12% to 10% by 2007 and near elimination by 2012. The State has formulated an Employment and Poverty Reduction Project for implementation with World Bank assistance and is formulating a strategy for Employment Generation and Vocational Education & Training to combat poverty. The State is involved in promotion of agriculture including horticulture, encouraging agro based industries livestock development for employment generation and income enhancement in the rural sector.

Human Development

The well-being of a society is reflected in terms of higher literacy rates, better living conditions and a decent standard of living. In terms of HDI, constructed as a measure of Human Development, the State has fared well, with the index moving up from 0.343 in 1981 and 0.446 in 1991 to 0.531 in 2001 according to Planning Commission, GOI's National Human Development Report brought out in 2002. The State ranks third in Human Development next to Kerala and Punjab among the major States in the country.

Human Development Index for India

States/ UTs	1981 Value	1981 Rank	1991 Value	1991 Rank	2001 Value	2001 Rank
Andhra Pradesh	0.298	9	0.377	9	0.416	10
Assam	0.272	10	0.348	10	0.386	14
Bihar	0.237	15	0.308	15	0.367	15
Gujarat	0.360	4	0.431	6	0.479	6
Haryana	0.360	5	0.443	5	0.509	5
Karnataka	0.346	6	0.412	7	0.478	7
Kerala	0.500	1	0.591	1	0.638	1
Madhya Pradesh	0.245	14	0.328	13	0.394	12
Maharashtra	0.363	3	0.452	4	0.523	4
Orissa	0.267	11	0.345	12	0.404	11
Punjab	0.411	2	0.475	2	0.537	2
Rajasthan	0.256	12	0.347	11	0.424	9
Tamil Nadu	0.343	7	0.466	3	0.531	3
Uttar Pradesh	0.255	13	0.314	14	0.388	13
West Bengal	0.305	8	0.404	8	0.472	8
All India	0.302		0.381		0.472	

Source: National Human Development Report 2001. (p.25)

The literacy rate of the State has increased from 63% in 1991 to 73% in 2001. Tamil Nadu stands next only to Kerala and Maharashtra in literacy. The male literacy has increased from 74% to 82% in the same period. The increase in female literacy has also shown significant improvement from 51% in 1991 to 65% in 2001. Similar

improvement can be observed in rural literacy, which rose from 55% in 1991 to 67% in 2001 compared to 78% in 1991 and 82% in 2001 in urban literacy. While total literacy is the ultimate goal of the State, reduction of intra and inter district variations and gender disparities would be focus of attention in the immediate future. The life expectancy at birth (LEB), which is an important indicator of overall health status of population and in Human Development Index was 64.85 and 65.20 for males and females respectively.

Social Infrastructure

Social infrastructure, the vital ingredient in the process of economic development comprises education, health and nutrition, water supply & sanitation, which help in enhancing the overall productivity. The State has attained high literacy rates, enrolment ratio both in terms of boys enrolment and girls enrolment. The State is committed to provide elementary education to all children in the school going age. The District Primary Education Programme which aimed to achieve enrolment, retention, completion and gender equity for standards 1-5 in selected districts yielded good results. The scheme came to a close on 30.6.2003. "Education for all" (Sarva Shiksha Abhiyan) is being implemented in all the districts for standards 1-8 from the year 2001 to 2010. In the 6 -11 age group, the total enrolment was 65.91 lakhs (98.96%) with girls enrolment 31.81 lakhs (98.93%) and that of boys 34.10 lakhs (98.99%) during 2003-04. The statistics compiled under SSA for elementary education show that for 2003-04, the gross access ratio (GAR) was 99%, net enrolment ratio (NER) 95%, completion rate (CR) 72%, repetition rate (RR) 19%, drop out rate (DR) 9% and transition rate (TR) 94%. In the 11-14 age group, girls enrolment of 86.73% is less than the enrolment of boys with 96.75%. The percentage of enrolment in the age group 14 –16 was 70.60 (boys 71.05%, girls 70.12%).

Good health is basic for a productive and healthy life. "Health for all" is the policy of the Government, which is committed to provide quality health care to all people, in particular the vulnerable poor. With a well-woven network of 42 hospitals, 25 District Headquarter hospitals 161 Taluk hospitals, 79 Non-Taluk hospitals, 1412 PHCs, 8682 HSCs, 12 Dispensaries and 11 mobile medical units, the State's health care services is one among the best in the country. The efforts taken by the Government in delivering quality health care is evident from the health indicators: IMR has come down to 44 per 1000 live births, MMR to 1.3/1000 live births. The Crude Birth Rate has come down to 19 per 1000 population in 2000 and 18.5 per thousand in 2002 from 31.4 in 1971, a decline of 39% approximately whereas the country's decline was by only 30% from 36.9 in 1971 to 25.8 in 2000. The Crude Death Rate has come down in TN to 7.7 in 2002 (from 14.4 in 1971) while the All India figure is 8.1 for 2002. The LEB for males is 67 years and 69.75 for females. The family planning programmes have been very effective in the State, in stabilising the growth of population. The natural rate of growth of population is 1.08% and the couple protection rate is 50.2%. The total fertility rate has come down from 3.9 in 1971 to 2.8 in 1991 and 1.8 in 1997. Since 1993 there has been a levelling off of the natural growth of population.

Mal-nutrition is exhibiting a decreasing trend in the State over the years. According to the National Family Health Survey (1998-99) 37% of children under 3 years are under weight, 29% stunted, 11% severely under-nourished and 20% are emaciated. The State aims to reduce human malnutrition of all types including sub-clinical deficiencies to achieve the levels of best performing countries. The State is building up a healthy society for the future through programmes like TINP, ICDS etc.

attacking mal-nutrition in children. The Policy on Malnutrition free Tamil Nadu reformulated from the 1993 National Nutrition Policy and released on 12th November 2003 by the Chief Minister suggests a life-cycle approach by targeting appropriate interventions over the different phases of life cycle.

Tamil Nadu is a water starved state, not bestowed with perennial rivers and with inflows of the only major river Cauvery depending on Karnataka. Continuous drawal of water from surface and subsurface resources for various purposes, continuous failure of monsoon for the three consecutive years 2001-02 to 2003-04 have scrapped the water potential almost by 95%. Despite all the difficulties, 81787 rural habitations, 611 Town Panchayats, 102 Municipalities and 5 Corporations are supplied with safe drinking water. The water supply to Chennai city is being maintained from surface and subsurface water from Cholavaram, Poondi and Red Hills reservoirs, and ground water from bore wells is being supplied on alternate days. With inadequate rainfall during the monsoon, the reservoirs supplying drinking water to the city did not get adequate storage. In order to conserve and harvest water, Rain Water Harvesting was made mandatory in all the houses throughout the State.

In the housing sphere, the Government's agencies viz., Tamil Nadu Housing Board, the Tamil Nadu Cooperative Housing Federation, the Tamil Nadu Slum Clearance Board and the Department of Rural Development have been involved in the augmentation of housing stock in the State. Tamil Nadu Housing Board has developed 393684 housing units out of which 2,04,813 units are developed plots and the balance are houses and flats. The plots developed for Economically Weaker Section alone accounts for 1,25,647. The TNHB developed / constructed 91463 units for Low Income Groups at a cost of Rs. 148.62 crores. Also 120672 units for MIG and HIG have been developed / constructed by TNHB at a cost of Rs. 977.37 crores. Under the scheme for providing housing facilities in small and medium towns in Tamil Nadu 12,125 houses and 11,176 plots have been constructed/ developed at a cost of Rs. 218.85 crores. The Tamil Nadu Slum Clearance Board has so far constructed 69126 storeyed tenements at a cost of Rs. 264.09 crores in various towns. Construction of 576 tenements at Swathantra Nagar in Chennai has been completed during 2002-03. Under Valmiki Ambedkar Housing Programme (VAMBAY) 1000 houses at a cost of Rs. 4.00 crores have been constructed. Besides 6250 shelter units at a cost of Rs.25.00 crores which were targeted to be completed during 2003-04 were commenced in 2002-03 and another 5000 individual houses were also programmed for construction during 2003-04 in urban areas. Under Special Problem Grant from the Eleventh Finance Commission the Tamil Nadu Slum Clearance Board has proposed to construct 2820 three storeyed tenements in Chennai and 1832 residential units in Madurai and Coimbatore in a phased manner from 2001-05 at a cost of Rs. 49.00 crores.

Wage Employment
Report for Year 2003 – 04

Sl.No	Programme/Scheme	Estimated Cost (Rs. in lakhs)	Annual Target (lakh Mandays)	Mandays generated during 2003-04 (in lakh)
1	Highways Dept	108470.05	216.94	204.48
2	National Highways	128.36	26.76	0.2257
3	PWD (Irrigation)	12512.04	170.70	156.66
4	PWD (Buildings)*	66256.94	NA	38.18
5	Tamil Nadu Slum Clearance Board	10280.00	24.68	15.31
6	Tamil Nadu Adi Dravidar Housing Development Corporation	7815.63	17.12	5.61
7	Tamil Nadu Police Housing Corporation	10000.00	43.00	30.58
8	Sericulture	19.81	0.06	0.11
9	Forestry*	12577.27	NA	57.62
10	Horticulture	267.00	5.34	5.34
11	Fisheries	2208.92	14.05	8.05
12	Agriculture Engineering	5819.60	66.60	66.23
13	Rural Development (SGRY Stream I & II)*	25619.80	NA	512.07
14	Municipal Administration (UWEP)		40.62	12.85
	Total	261975.42		1113.3167

Self Employment
Report for Year 2003 – 04

Sl. No.	Programme/ Scheme	Nos. Assisted for econ. activities during 2003-04				
		Total	SC	ST	Women	Disabled
	Rural Development - SGSY					
1	Individual Swarojgaris	1465	219	20	757	484
2	Self-Help Groups	59655	23355	1838	59291	765
	Directorate of Municipal Admn.					
	USEP- Members of groups assisted	755				
	Tamil Nadu Women Development Corporation					
	Entrepreneurship Development Programme 2003-04	22014				
	Vocational Training Programme	10997				
	SHGs assisted (involving subsidy)- TAHDCO	2487				
	TADHDCO					
1	Land Purchase Scheme					
2	Fin. Assistance to Individuals	7610	7423	187	2704	
3	Fin. Assistance to SHGs including Revolving Fund	88837	86226	2611	88837	
4	Collector's Discretionary Fund	3139	3032	107	2013	434
5	NSFDC	21	21			
6	NSKFDC	0				
7	NSLRS (Group Schemes)	13	13			
8	Infrastructure Development	4600	4600		2000	
9	Other Department Schemes	2000	2000			
10	Vocational Training/ EDPs					
	(a) Vocational Training to individuals	7100				
	(b) Vocational Training to SHGs	0				
	(c) EDP trg. to SHGs	39395				
	(d) Spl. Trg. to SC/ ST youth in Chennai	778				
	(e) Computer S/W Training.	0				
	(f) NSLRS - Life Skill Training.	0				
	(g) Other Deptt. Scheme- Training.	2000				
	TABCEDCO (BC/MBC)					
1	General Loan	992			85	
2	Micro-credit Loan	36244			36244	
3	EDP Trained Women	19			19	
	Industries & Commerce					
1	Prime Minister Rozgar Yojana	8852	1256	33	2958	81
2	New Anna Marumalarchi Thittam	4135			2878	
3	Women EDP	25137				
	Tamil Nadu Industrial Investment Corporation					
1	Tiny Establishment & SSI Sector	9210				
2	Medium Scale Industrial Units	725				
3	Small Road transport Operators	1464	152			
4	Other Non - SSI Sector including Service Sector units, Windmill etc.	435				
	KVIB					
	Margin Money Scheme under REGP	2247	231	11		
	Agri Marketing					
	Agri Export Zone for Cut Flowers, Hosur	91000				
	Dairy Development					
	Nos. additionally enrolled in societies/ centres &/or took up economic activities					
	(a) establishment of additional Milk Societies	11099	599		10500	
	(b) establishment of women DCS under STEP	3628			3628	

