

1.2. Sectoral Performance

Agriculture

Keeping the target of 4% for agriculture sector set out during Eleventh Plan Period in view, special emphasis was given on development of dry land agriculture besides stepping up the productivity in irrigated agriculture by adoption of scientific methods of cultivation.

During 2007-2008 even though the rainfall received was normal in general, the deficit experienced in certain districts in September 2007 had adverse impact on rainfed crops like maize, groundnut etc. Severe floods occurred in 20 districts during December 2007, which damaged crops in 1.581 lakh hectares. In view of this, both area and production of food grains, Oilseeds, Cotton and Sugarcane were less than the target in the Eleventh Plan.

The total area under food grains was 37.6 lakh ha. in 2007-08 which is expected to increase to a level of 45.50 lakh ha. in 2008-09. This is more than the targeted level of Eleventh Plan i.e. 42.5 lakh ha. Similarly, the food grain production is also expected to increase from 84.4 LMT in 2007-08 to 108 LMT in 2008-09.

The Irrigated Agriculture Modernization and Water Bodies Restoration and Management (IAMWARM) Project aiming to improve the service delivery, productivity in irrigated agriculture with effective integrated water resource management in the selected 63 sub basins in Tamil Nadu has integrated the activities like agricultural intensification and diversification, enhanced market access and agri business opportunities, strengthening institutions and instruments dealing with water resource management thereby improving the conveyance efficiency. So far, the IAMWARM project is operational in 25 sub basins.

The National Food Security Mission (NFSM) programme on rice and pulses has been implemented from 2007-08 in Tamil Nadu. The mission aims at increasing the production of rice and pulses through increase in area and productivity on mission mode approach. In Tamil Nadu, NFSM Rice scheme is

implemented in 5 districts and Pulses Scheme is implemented in 12 potential districts.

National Agricultural Development Programme - (RKVY) provides greater flexibility and autonomy to the states to develop and pursue on the basis of their priorities through State and District agricultural plan. Under NADP, it is proposed to modernize agriculture and allied sectors, maximize the returns to the farmers and to bring about significant changes in the production and productivity of various components of agriculture and allied sector in a holistic manner at a cost of Rs.243 crore.

To overcome the challenges faced by the farmers, the Government is extending various assistance and relief measures viz., waiver of crop loan to the tune of Rs.7000 crore, reduction of interest rate for crop loan from 9% to 7% in 2006-07, 7% to 5% in 2007-08 and further to 4% in 2008-09 with a view to providing further fillip to agriculture, free electricity to farm pump sets, distribution of 2 acres of Government wasteland after converting to cultivable land to each landless agricultural labourer families, various assistance for education, marriage, maternity, pension and for funeral expenses extended through Tamil Nadu Agricultural Labourers and Farmers Social Security and Welfare Scheme, 50% assistance on premium for loanee and non loanee farmers under Crop Insurance scheme.

Industry

Industry holds the key to economic growth and employment generation. The State has a strong manufacturing base. Industrial development is being measured by the Index of Industrial Production (IIP). The IIP grew by 5.0% during 2007-08 against the growth of 8.1% in 2006-07. Of which the Mining sector reported a growth of 7.7% in 2007-08 against 1.2% registered in 2006-07. Manufacturing sector registered 5.0% against 8.2% and Electricity registered 4.2% against 8.9% growth in 2006-07. During the first six months of the year 2008-09, the IIP grew at the rate of 5.7% as compared to 3.6% during the corresponding period of the year 2007-08.

In the last two years, Tamil Nadu has received huge investments to the tune of Rs.20000 crore from globally well known companies. Tamil Nadu has become the destination for automobile and IT hardware companies. In order to have a uniform growth of all the areas in the State, the projects are being encouraged in all other parts of Tamil Nadu apart from Chennai. Tamil Nadu is in the 3rd position in software exports in the country and accounts for about 15% of the country's software exports. The exports are also growing in the Hardware sector. Upto 2007-08, about 2.72 lakh jobs have been created in IT sector in Tamil Nadu.

Nine Special Economic Zones (SEZ) have been established at: Chennai (2), Coimbatore, Madurai (2), Trichy, Tirunelveli, Hosur and Salem. One more SEZ has been contemplated at Vellore. Eco system approach is envisaged for development of social infrastructure along with IT space. Incubation centres also planned at all these centres. Infrastructure development programmes like Jawaharlal Nehru National Urban Renewal Mission (JNNURM) will be dovetailed. Soft infrastructure is being strengthened for sustained development of the area. Several initiatives have been taken for the skill development of students.

For the growth of Micro, Small and Medium Industries a separate policy was announced for the first time in the state. Through a package of incentives, this policy seeks to enhance the competitiveness of such industries in the state and gives special thrust to agro-based industries. All Small and Medium Industries established in any of the 251 industrially backward blocks of the State will be entitled to avail a package of incentives including capital subsidy, employment subsidy and power tariff subsidy. In addition, additional capital subsidy will be given to entrepreneurs who are women, Adi Dravidars including Arundhatiars, disabled or transgenders.

According to Centre for Monitoring Indian Economy (CMIE), which reports investment in different states, the investment in Tamil Nadu was Rs. 163245 crore in April 2006, while in March 2008, the total investment in Tamil Nadu shot up to Rs. 348226 crore. Thus, the incremental investment committed

in Tamil Nadu during April 2006 to March 2008 was Rs.184981 crore. This implies more than 100% increase in Investments in the last 2 years.

Health

As per Sample Registration (SRS) Bulletin in 2007, the Birth Rate in Tamil Nadu is 15.8 (Rural - 16.0, Urban - 15.5.), which is the least compared to major states except Kerala (14.7). The All India rate (23.1) is higher than Tamil Nadu and the same trend is seen in both Rural and Urban areas. The Infant Mortality Rate (IMR) in Tamil Nadu is 35 (Male - 34, Female - 36), which is the least compared to Major States except Kerala (13) and Maharashtra (34). In Rural Tamil Nadu IMR is 38 (Male -38, Female - 39) and in Urban it is 31 (Male - 30, Female - 33). The Eleventh Plan target is to reduce the IMR to 20 per 1000 live births.

Under Varumun Kappom Thittam - a pioneering scheme in preventive health care for the entire state, medical camps by teams of medical experts are being conducted throughout the state. Tamil Nadu Health Systems Project is being implemented at a cost of Rs.597crores. Under this scheme, Government hospitals will be upgraded by way of implementing civil works, provision of medical equipments and appointment of specialist doctors. Under National Rural Health Mission, the state has made remarkable improvement in institutional deliveries, which is 99%, the highest in the country.

As per National Family Health Survey (NFHS) reports, percentage of children under the age of three years born to ever-married women classified as underweight in the state decreased from 40.7% in 1992-93 to 25.9% in 2005-06. To provide adequate nutrition to the economically disadvantaged, to combat malnutrition among the children, increase their literacy rate and to act as a potent incentive for increasing the enrolment and reducing drop out from schools, Government is supplying three eggs to the children from 15.07.2007. Considering the children who do not consume egg, Government have implemented supply of Banana to them instead of egg from 15.07.2008.

Education

Tamil Nadu's high level of enrolment in elementary education is mainly a result of the number of welfare schemes that the State Government implement. Tamil Nadu is the only State where everything is provided free of cost for the children, from textbooks and uniforms to noon meals. These schemes have facilitated a huge numbers in enrolment ratio. Primary schools have also significantly improved in the last two years. This Government has given greater accessibility to all students by starting new schools within a one-km radius of a habitation. Increased attention is being given now to the quality of education to children. Activity-Based Learning (ABL) has helped to change the classroom environment from teacher centric atmosphere to student centric atmosphere.

Under Sarva Shiksha Abhiyan (SSA), 100% access is ensured in both primary and upper primary levels, 4.90 lakh of out-of-school children have been mainstreamed. At primary level, Dropout Rate of 12 during 2002-03 is reduced to 1.23 in 2008. At upper primary level, Dropout Rate of 13 during 2002-03 is reduced to 1.90 during 2008. Activity Based Learning Methodology is followed in primary classes while Active Learning Methodology followed in 6, 7 and 8 classes. 42.62 lakh mandays of need-based in-service teacher training was provided.

The Eleventh Plan target is to universalize the Secondary Education. The target is to be achieved through establishing new secondary schools in underserved areas, carrying out special enrolment drives, improving need based infrastructure facilities by availing of the financial resources from funding agencies like NABARD, using computer aided techniques and e-learning equipments for improving the quality of the teaching-learning process, improving pre-service and in-service training facilities, giving special emphasis for the vulnerable sections of the society and expanding welfare schemes.

For the improvement of Higher Education in the state, the steps taken are to establish new Arts and Science Colleges, to provide Free Education to undergraduate students studying in Government and Aided Arts Colleges. Free

education is provided to girls belonging to poor and middle class families studying in P.G. courses. Introducing shift system in all Government Arts and Science Colleges has increased the intake in the colleges. To improve the quality of technical education in the southern districts, a new Technical university at Tirunelveli has been established. Financial Assistance for conduct of Special Coaching classes to SC/ST/MBC students and Educational Assistance to the Children of Member of Agriculture Labour Welfare Board for Graduate/ Post Graduate courses have improved the chances of underprivileged children's study in the Higher Educational Institutions.

Water supply and sanitation

The target for the Eleventh Plan is to provide clean drinking water to all by 2012 and to provide underground sewerage system to all Urban Local Bodies. As on April 2008, Out of 87010 habitations, 76755 habitations were fully covered and 10255 habitations are partially covered. These partially covered habitations will be provided with protected water supply during 2008-09.

Urban Water Supply schemes are being implemented with the funds made available tie up by both GOI and the State Government under various heads such as JNNURM, UIDSSMT, TNUDP-III and MNP. During 2007-08, Water Supply schemes in 55 Towns have been completed during 2008-09, Water Supply schemes will be completed in 60 urban towns by this year.

Ramanathapuram Combined Water Supply Scheme is formulated to benefit 5 Municipalities, 11 Town Panchayats and 3163 rural habitations in 18 Panchayat Unions of Ramanathapuram and wayside habitations of Sivaganga and Pudukottai districts with a total population of 15.76 lakhs. So far 74% of the works have been completed and it is targeted for completion by April 2009.

During 2007-08, Under Ground Sewerage Schemes (UGSS) have been implemented in two Municipalities and one Corporation. During 2008-09, it has been decided to provide UGSS to all the Municipalities and District Head Quarters.

Roads

Development and proper maintenance of roads are vital for the economic development of the state. 352 Bridges/ Culverts/ Structures and a Road length of 8622.22 kms. have been completed during 2007-08. In 2008-09, works like 372 Bridges/ Culverts/ Structures and a Road length of 9575.43 kms. are being undertaken.

Energy

The Generation capacity of Tamil Nadu Electricity Board as on 31.10.2008 was 10122 MW. The gross generation during the year 2007-2008 was 66,066 MU and the total energy consumption was 53,370 MU. 100% electrification has been achieved in all the 439 towns in Tamil Nadu. In case of rural electrification, the Tamil Nadu continues to be in the forefront in the country. 15,400 inhabitant villages have been electrified as on 31.10.2008. In addition 18.42 lakh agricultural pump sets and 11.48 lakh huts have been given electric supply.

Forest and Environment

In Tamil Nadu, 17.59% of the geographical area was covered by forests in 2006. In addition tree cover in non-forest areas accounted for 3.66% of State's geographical area. Thus the total forest cover and tree cover in the state was 27634 Sq.Kms, accounting for 21.25% of the geographical area of the State.

The Forest department is implementing major schemes like Tamil Nadu Afforestation Project, Scheme for raising tree species on private farm lands, Distribution of seedlings free of cost to small and marginal farmers, Erection of solar powered fences to prevent man-animal conflict, Distribution of compensation for damages caused by wild animals, Urban afforestation in Chennai and other Municipal Corporations to mitigate the effects of climate change, Distribution of tree saplings to educational institution and Government hospital and health centers in municipal areas, Establishment of a night safari and butterfly park at Arignar Anna Zoological Park Vandalur. The department also

implements NABARD assisted scheme for improving the infrastructure in tribal schools run by the department.

Welfare of Scheduled Castes and Scheduled Tribes

According to the 2001 Census, the Scheduled Castes (also known as Adi Dravidar) population in the state is 1.19 crore and that of the Scheduled Tribes is 0.07 crore constituting 19% and 1.06% respectively of the state's total population of 6.24 crore. Nearly 70% of the Scheduled Castes and 88% of Scheduled Tribes are living in the rural areas. As per 2004-05 estimates on poverty, the poverty ratio of Scheduled Castes population is 31.2% in rural areas and 40.2% in urban areas in Tamil Nadu as against 36.8% and 39.9% in All India respectively. The poverty ratio of Scheduled Tribes population is 32.1% in rural areas and 32.5% in urban areas in Tamil Nadu as against 47.2% and 33.3% in All India respectively.

The Scheduled Caste Sub-Plan (SCSP) and Tribal Sub Plan (TSP) are implemented in the state to improve the economic conditions of the Scheduled Caste and Scheduled Tribe population and thereby leading to the removal of social and civil disabilities. The basic objective of both these Sub-Plans is to channelise the flow of Plan outlays and benefits from the general sectors for the development of Scheduled Castes and Scheduled Tribes at least in proportion to their population, both in physical and financial terms. In Tamil Nadu, the SCSP and TSP are implemented through 21 sectoral departments. While the schemes benefiting direct flow of resources to the beneficiaries through family oriented and individual income generating programmes are considered divisible schemes, those benefiting the flow of resources through provision of social services, infrastructure development and other facilities are considered indivisible schemes.

Economic development programmes in the fields of horticulture, animal husbandry, soil-conservation, minor irrigation, sericulture, small industries, etc. and area oriented development programmes like provision of drinking water, formation of roads, electrification, providing education and health facilities, improving forestry, communication, co-operation, social services etc. are taken up.

For the Annual plan 2009-10, out of the outlay of Rs. 17500 crore, it is expected that an amount of Rs. 2721.62 crore and Rs. 36.36 crore would flow towards the uplift of the Scheduled Castes and Scheduled Tribes under SCSP and TSP respectively, including the notional allocation for certain schemes for which exclusive allocation could not be made in view of the nature of the scheme.

State Finances

The Budget Estimates of 2008-2009 shows that the ratio of Revenue Surplus to Total Revenue Receipts is kept at 0.16% in 2008-2009. The Revenue surplus will decrease from 2009-10 onwards due to the likely increase in salary related expenditure. The Fiscal Deficit as a percentage of GSDP is estimated at 2.98% in the Budget Estimates 2008-2009. Tamil Nadu continues to retain the highest Tax-GSDP ratio in the country. In the Budget Estimates 2008-2009, this ratio is 10.1%. State's Own Tax Revenue is estimated at Rs.33156.09 crore which is 13.36% higher than the Revised Estimates 2007-2008.