

**GOVERNMENT FOCUSES ON STRENGTHENING OF PRIMARY  
HEALTH INFRASTRUCTURE AND IMPROVING SERVICE  
DELIVERY**

**ECONOMIC SURVEY 2008-09**

The National Rural Health Mission(NRHM) seeks to strengthen the public health delivery system at all levels in the country. It is being operationalised throughout the country. The Economic Survey for 2008-09 tabled in Parliament today states that as part of the NRHM 6.49 lakh ASHAs and link workers have been selected upto December 2008 out of which 5,63 lakh have been given orientation training and 4.12 ASHAs have drug kits. Strengthening of the PHCs for 24x7 services is a priority of the NRHM. Of the 22,370 PHCs in the country, only 1,263 of them were working 24x7 on March 31, 2005 (before the NRHM). The number of 24x7 PHCs today, as reported by the states is 7,212 signifying a big leap forward in getting patients to the government system. Over 159,92 lakh women have been brought under the Janani Suraksha Yojana for institutional deliveries in the last three years. So far, 8,645 other paramedics have been appointed on contract. 9,073 doctors, 1,875 specialists, 20,977 staff nurses have been appointed on contract in the states so far, reducing the human resource gaps in many institutions. Indian Public Health (IPH) Standards have been finalised and a first grant of Rs. 20 lakh was made available to all the district hospitals of the country to improve their basic services, given the increased patient load due to JSY and other programmes. So far 243 Mobile Medical Units are operational in the states. As per the Economic Survey, in the National AIDS Control Programme, major achievements during 2008-09 include scaling up targeted interventions for high risk groups to 1,271, counselling and HIV testing 101 lakh persons of which 41.5 lakh were pregnant women and providing ARV treatment to more than 2.17 lakh patients. – **PIB Press Release New Delhi, Dated July 02, 2009**

**GOVERNMENT SHOWS ACROSS THE BOARD COMMITMENT TO  
SOCIAL WELFARE SCHEMES**

**ECONOMIC SURVEY 2008-09**

The Economic Survey for 2008-09 tabled in Parliament today states that the Government is committed towards social and economic uplift of the weaker sections of society. As regards the Scheduled Castes a number of schemes are being implemented to encourage Scheduled Caste students for continuing their education from school level to higher education. The earlier Centrally-sponsored scheme of hostels for SC boys and girls was revised and renamed as ‘Babu Jagjivan Ram Chhatravas Yojana’ w.e.f. January 1,2008. As part of this revision, Central assistance for construction of girls’ hostels was raised from 50 per cent. During 2008-09, the physical target under the scheme was to construct 64 hostels for 4,938 girls and 45 hostels for 3,138 boys. An

amount of Rs. 84.26 crore was released under the scheme during the year. As regards Scheduled Tribes their economic empowerment continued through extension of financial support through National Scheduled Tribes Finance and Development Corporation (NSTFDC). The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act was notified for operation with effect from December 31, 2007. The responsibility for implementing the Act vests with the State/UT Governments. As per information collected from States till March 31, 2009 more than 20.50 lakh claims have been filed. More than 1,52 lakh titles have been distributed and another 1.93 lakh are ready for distribution. As regards minorities, the corpus of the Maulana Azad Education Foundation (MAEF) has been enhanced from Rs. 100 crore in 2005-06 to Rs. 310 crore in 2008-09 for expanding its activities for implementation of educational schemes for educationally backward minorities. The authorized share capital of the National Minorities Development and Finance Corporation (NMDFC) has been raised from Rs. 650 crore in 2006-07 to Rs. 850 crore in 2008-09 for expanding its loan and micro-finance operations to promote self-employment and other economic ventures among backward sections of the minority communities. Under the Aam Admi Bima Yojana, upto December 31, 60.32 lakh people have been covered. Another major Governmental scheme for social protection, the Rashtriya Swastha Bima Yojana was extended to 22 states and Union Territories upto May 6, 2009. Through this scheme, health insurance cover has been given to more than 2.09 crore persons. – **PIB Press Release New Delhi, Dated July 02, 2009**

## **NATIONAL ACTION PLAN ON CLIMATE CHANGE RELEASED BY THE GOVERNMENT**

### **ECONOMIC SURVEY 2008-09**

The Economic Survey for 2008-09 tabled in Parliament today states that India holds that the planetary atmospheric space is a common resource. It says that in tackling the challenge of climate change, both production and consumption patterns need to be addressed, with the willingness to address lifestyle issues. Availability and/or dissemination of existing climate friendly technologies and goods to developing countries as public goods and at affordable costs is essential to enhance the actions of developing countries towards pursuing sustainable development technologies. The Survey states that India released its National Action Plan on Climate Change (NAPCC) on June 30, 2008 to outline its strategy to meet the challenge of climate change. This Action Plan identifies measures that promote the objectives of sustainable development of India while also yielding co-benefits for addressing climate change. Eight National Missions, form the core of the National Plan. – **PIB Press Release New Delhi, Dated July 02, 2009**

**SEVERAL STEPS TAKEN TO ENHANCE DOMESTIC RUPEE  
LIQUIDITY  
ECONOMIC SURVEY 2008-09**

The Economic Survey 2008-09, presented by Finance Minister Shri Pranab Mukherjee in Parliament today says variation in cash balances of the Central Government, capital flows and the concomitant foreign exchange operations of the Reserve Bank of India (RBI) were the key drivers of liquidity conditions during the year. RBI continued its policy of active management of liquidity during the financial year 2008-09 using CRR, Open Market Operations (OMC) including the Market Stabilization Scheme (MSS) and the Liquidity Adjustment Facility (LAF) to maintain appropriate liquidity in the system so that all legitimate requirements of credit were met consistent with the objective of price and financial stability. Accordingly, monetary and liquidity management operations changed course beginning mid- September, 2008 in order to address the liquidity situation emerging from the unfolding global financial crisis. The Survey says, Special Market Operations (SMO) were conducted by the RBI during the first week of June, 2008 to the first week of August, 2008 to improve access of public sector of companies to domestic liquidity and alleviate the lumpy demand in the foreign exchange market in the context of the unprecedented increase in international oil prices. The SMOs were, however, liquidity neutral in nature. For more effective liquidity management and to ensure that the market borrowing programme of the Government was conducted in a non-disruptive manner, the scope of the SMO was widened with effect from February 19, 2009 by including purchases of government securities through an auction based mechanism in addition to purchases through the negotiated dealing system-order matching (NDS-OM) segment. The Economic Survey 2008-09 says that in order to enhance domestic rupee liquidity, the cash reserve ratio (CRR) as a percentage of the Net Demand and Time Liabilities (NDTL) was reduced by a cumulative 400 points from 9 per cent with effect from January 17, 2009; the Statutory Liquidity Ratio (SLR) as a percentage of the NDTL was reduced by hundred basis point from 25 per cent to 24 per cent with effect from November 8, 2008; a term repo facility for an amount of Rs. 60,000 crore was instituted under the LAF to enable banks to ease liquidity stress faced by Mutual Funds (MFs) and Non-Banking Financial Companies (NBFCs) with associated SLR exemption of 1.5 per cent of NDTL; an advance of Rs. 25,000 crore was provided to financial institutions under the Agricultural Debt Waiver and Debt Relief Scheme pending release of money by the Government; provision of a reference facility for an amount of Rs. 4,000 crore to the National Housing Bank (NHB) was undertaken to provide liquidity support to the housing sector and a refinance facility to the EXIM Bank was provided with a view to mitigating the pressures on Indian exporting companies. – **PIB Press Release New Delhi, Dated July 02, 2009**

**AGRO SECTOR LOAN TARGET ACHIEVEMENT 94 PERCENT 808  
LAKH FARMERS NOW HOLD KISAN CREDIT CARD  
ECONOMIC SURVEY 2008-09**

As per the Economic Survey 2008-09, the total amount disbursed by all Banks to the Agriculture and Allied Activities Sector is Rs. 2,64,455 crores as against the target of 2,80,000 crores registering 94.4% achievement. In comparison to the disbursement of Rs. 254657 crore as on March, 2008, there is a rise of Rs. 9798 crores to the sector. Of the total disbursement Rs. 202856 crores were from Commercial Banks, Rs. 35447 crores by Cooperative Banks and Rs. 25,852 crores by Regional Rural Banks. During 2008-09( till February 2009), a total of 47.26 lakhs Kisan Credit Cards(KCC) amounting with limits aggregating Rs. 26828 crores were issued. The total number of KCC holders in the country as on February 28, 2009 stood at 808.00 lakhs. Under the Agricultural Debt Waiver and Debt Relief Scheme, the Government provided Rs. 25,000 crores to the Commercial Banks RRBs and Cooperative Credit Institutions as the first instalments Of this Rs. 17500 crore was provided to RRBs and Cooperatives as temporary liquidity support and Rs. 7500 crores to Commercial Banks. – **PIB Press Release New Delhi, Dated July 02, 2009**

**PHYSICAL INFRASTRUCTURE ESSENTIAL FOR SUSTAINABLE  
GROWTH AND OVERALL DEVELOPMENT CAPACITY CREATION IN  
INFRASTRUCTURE SECTORS PRESENT MIXED PICTURE TELECOM  
AND PETROLEUM SECTORS PERFORMED WELL**

**ECONOMIC SURVEY 2008-09**

Recognizing the importance of physical infrastructure on sustainability of growth and overall development, the Economic Survey 2008-09 states that spending on infrastructure has larger multiplier effects. The Economic Survey 2008-09 tabled in Parliament today mentioned that though there has been some improvement in infrastructure development in transport, communication and energy sector in the country in the recent year, there are still significant gaps that needed to be bridged. The current economic slow down provides an opportunities for countries like India that have a substantial degree of unmet infrastructure requirements. According to the Economic Survey, the capacity creation in infrastructure sectors presented a mixed picture in 2008-09. While telecom and petroleum sectors performed well in 2008-09 as compared to the recent years, the power sector exhibited considerable shortfall. Most infrastructure sectors too witnessed subdued growth in production/services during 2008-09 because of slump in economic activity and commodity price, oil price shocks and overall global economic crisis. The Port and Air cargo growth slowed down considerably reflecting the sluggishness in import and export growth in second half of 2008-09. The rail freight growth too slowed down but to a lesser degree because the coal sector experienced

robust production. In addition, the growth in telecommunication stood as exception amidst the general slowing down, the Survey adds. In power sector, the Survey states, the growth of electricity generation by power utilities in 2008-09 was at 2.7 per cent which was much short of targeted 9.1 per cent. During 2008-09, despite the sharp decline in hydro and nuclear generation, the growth in total electricity generation was positive due to 5 per cent plus growth in thermal generation. The Survey mentions that less inflow of water into reservoirs in the case of hydro stations and for other power stations mainly due to fuel supply constraints are the reasons for negative growth in power generation. Keeping in view the target set by the National Electricity Policy 2005, a capacity addition of 78,700 MW has been set for the XIth Five Year Plan, of which 19.9 per cent is in the hydel sectors, 75.8 per cent thermal and the rest nuclear. The Survey mentions that a number of projects envisaged for the XIth Plan have made steady progress, with most of these in a position to be commissioned within the plan period. The Survey also lists out major reforms initiated in order to help power utilities to improve efficiency and commercial viability. The Ministry of Power signed the MOUs with the States to undertake time bound distribution reforms, the Survey adds. With a view to provide impetus to electrification of villages under the Rajiv Gandhi Grameen Vidyutikaran Yojana, the Economic Survey states that 59,882 villages have been electrified during the XIth Five Year Plan and electricity connections to 53.78 lakh BPL households have been released up to 31st March 2009. The Survey states that during 2008-09, the petroleum sector has been affected by the wild swings in the international oil prices. The production of crude and its products witnessed slack growth in 2008-09 as compared to the previous year. The growth of 3 per cent in refinery production was mainly on account of impressive performance of private sector production. In 2008-09, while the production of crude oil declined but its consumption increased. In comparison, production of petroleum products increased by 3.9 per cent in the same year, while its consumption declined. The growth in diesel consumption declined to 8.4 per cent in 2008-09 as compared to 11.1 per cent in 2007-08 because of industrial and business slow down in sectors like automobiles etc. Giving details of the progress under New Exploration Licensing Policy (NELP), the Survey states that 203 Production Sharing Contracts have been signed since 1999, thereby increasing the area under exploration more than four times. As on April 1, 2009, investment commitment under NELP is about 10 billion US dollar on exploration, against which actual expenditure so far under the policy is about 4.7 billion US dollar. In addition, 5.2 billion US dollar investment has been made on development of discoveries, the Survey adds. In the coal sector, raw coal production is provisionally estimated at 493.20 million tonnes in 2008-09 as against 457.08 million tonnes during corresponding period last year, thereby registering a growth rate of 7.90 per cent. The cooking coal production was 29.76 million tonnes during April-February 2009 as against 29.70 million tonnes in the corresponding period last year. The Survey mentions that due to the enhanced production by all stakeholders, the growth rate of raw coal production was increased to about 8 per cent during 2008-09 as compared to 6 per cent in the corresponding period.

Regarding National Highways Development Project (NHDP), being implemented by the National Highways Authority of India, the Survey states that 11,037 KM of National Highways has been completed by 31st March 2009, the bulk of which lies on Golden Quadrilateral (GQ). Nearly 98 per cent works on GQ have been completed by March this year and the North-South and East-West corridors are expected to be completed by December this year. The Survey further adds that the Government has given approval for upgradation of 12,109 KM under NHDP phase III at an estimated cost of Rs. 80,626 crore; two-laning for 5,000 KM of National Highways under NHDP Phase IV at an estimated cost of Rs. 6,950 crore; six laning of 6,500 KM of National Highways under NHDP Phase V at a cost of 41,210 crore; 1000 KM express ways with full access control at a cost of Rs. 16,680 crore under NHDP Phase IV and construction of ring road grade separation intersection, flyovers, elevated highways, underpasses and service roads at a cost of Rs. 16,680 crore under NHDP Phase VII. For improving the road connectivity to the state capitals, district headquarters and remote places in the north-eastern region, a scheme Special Accelerated Road Development Programme is being implemented. The High Powered Inter-Ministerial Committee under the programme has approved the sub-projects covering 1065 KMs at a cost of Rs. 3,378 crore under Phase A of the programme. The Survey mentions that the XIth Five Year Plan has projected an investment requirement of Rs. 41,347 crore (at 2006-07 prices) in rural roads. During the first two year of the plan an expenditure of Rs. 25, 780.70 crore has been incurred on rural roads under the Pradhan Mantri Gram Sadak Yojana. Regarding Civil Aviation Sector, the Survey states that the expansion of the sector continued. However, the sector showed signs of slow down due to steep rise in cost of air turbine fuel and global economic slow down. The number of domestic passengers declined by 5 per cent during 2008 as compared to 2007. The silver lining was a growth of 14.55 per cent in the domestic cargo. The Survey mentions about the massive modernization/expansion programme of International Airports at New Delhi, Mumbai, Kolkata and Chennai. The Survey further adds that the Airports Authority of India is upgrading and modernizing 35 non-metro airports in the country in a time bound manner. Development of Airports in the North-Eastern Region is being taken up on priority basis. The telecom sector continued to register significant growth during the year. With about 414 million connections till February this year, India's telecommunication network is the 3rd largest and the second largest wireless network in the world. At the current growth rate, the target of 500 million connections by 2010 is well within reach. The tele-density also increased from 12.7 per cent in March 2006 to 35.65 per cent in February this year. The Government has taken several steps directed at reduction in entry barriers, creation of a level playing field between incumbents and new entrants and forward looking regulation. With the special thrust given to rural telephony, the number of rural telephones went up from 12.3 million in March 2004 to 112.71 million in January this year. Consequently the rural tele-density reached 13.81 per cent. Since January 2000 to December 2008, the total Foreign Direct Investment is Rs. 27,482.96 crore of which the inflow during 2008 is Rs. 11,595.48 crore. Recognizing

the importance of increase broadband connectivity for growth of knowledge based society, several steps have been taken to promote broadband in the country. As a result, the broadband subscribers increased from 0.18 million in March 2005 to about 5.69 million by February this year. Regarding Urban Infrastructure, the Survey states that under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM), an additional central assistance of Rs. 50,000 crore for 7 years and an equal amount from the State Governments and urban local bodies was provided to the Mission cities for improvement in their civic services levels. Memorandum of Agreement for Urban Reform Agenda has been signed with 62 mission cities and 6 urban local bodies. The Mission cities have undertaken fresh initiatives under JNNURM with an objective to contribute to sustainable functioning of local bodies. Under a parallel scheme of Urban Infrastructure Development Scheme for Small and Medium towns for Non-Mission cities and towns launched in 2005-06, 747 projects have been sanctioned at an approved cost of Rs. 12,793.81 crore for 632 towns till March this year. The year 2008 being International Year of Sanitation, a National Urban Sanitation Policy was launched in November 2008 for transforming all towns and cities of the country into 100 per cent sanitized, healthy and livable spaces and ensuring sustained public health and improved environment to its citizen. Recognizing the importance of quality infrastructure for sustainable growth, the Economic Survey emphasized the need of better coordination between two approaches being followed for infrastructure building so as to promote its balanced development through out the length and breath of the country. The Survey mentioned that a tangible progress has been made in attracting private investment infrastructure. However, such public initiatives are constrained by factors like inadequate shelf of bankable projects and shortage of long- term finance for projects. These are difficult issues but not insurmountable, given the resilience that the Indian economy its financial system has demonstrated amidst adversities, the Survey states. – **PIB Press Release New Delhi, Dated July 02, 2009**

**MUTUAL FUNDS TURN AROUND DURING 2008-09 CAPITAL  
MARKETS SHOW SIGNS OF REVIVAL  
ECONOMIC SURVEY 2008-09**

A turnaround has been noticed in the performance of Mutual Fund industry, which had remained subdued during 2008, says the Economic Survey 2008-09. Mutual fund investments (net) in equity markets turned positive in March 2009 and were Rs. 2,320 crore during April-May, 2009 while they invested Rs. 36,791 crore in debt instruments during the same period. There is scope for expansion of mutual fund industry as only 7.7 per cent of total financial saving was allocated to mutual funds in 2007-08. As per the Survey, the retail participation, which is presently estimated at 15 per cent, is expected to increase in the years to come as availability of products and investor education improve and the industry takes steps towards transparency and sound corporate governance

practices to generate investor confidence. According to the Survey, assets under management of mutual funds declined sharply from Rs. 5,49,936 crore at the end of 2007 to Rs. 4,13,365 crore at the end of 2008. A perceptible shift was noticed from growth-oriented scheme to income/debt oriented schemes to income/debt oriented schemes. Assets under income-oriented schemes in 2008 were almost at their previous year's level and accounted for 47.7 per cent of total assets under management at the end of 2008. The decline in assets was seen across the schemes, the exceptions being Gilt and Gold ETF Schemes, which showed larger assets under management in 2008. The Survey has expressed satisfaction that performance of the capital market has lately shown signs of revival of investor interest and confidence – both domestic and foreign institutional investors. Net investment by FIIs in equity instruments amounted to US\$ 5.4 billion during April-May 2009. This has resulted on account of several policy initiatives taken by the Government relating to the Primary Market, Secondary Market, Mutual Funds, Foreign Institutional Investments, Corporate Debt Market and Regulatory changes, during 2008-09. – **PIB Press Release New Delhi, Dated July 02, 2009**

**CALIBRATED MONETARY POLICY ESSENTIAL TO PUT ECONOMY  
ON HIGHER GROWTH TRAJECTORY  
ECONOMIC SURVEY 2008-09**

The Economic Survey 2008-09, presented by the Finance Minister Shri Pranab Mukherjee in Parliament today, lays focus on having a calibrated approach to using monetary policy measures for an early return to the high growth path. At the same time, efforts to build and preserve financial stability have to be high on the agenda. The Survey says, the monetary policy in 2008-09 had to address the emerging economic situation, wherein the position in the second half of the year was substantially different from the first half. The policy had to contend with the spill-over effects of the global financial crisis, on the country's growth path. The liquidity situation had improved significantly towards the end of 2008-09, in the wake of measures taken by the RBI. Taking into account the need to respond to sluggish economic growth witnessed lately, the Survey says, growth in money supply (M3) for 2009-10 was envisaged at 17.0 per cent as an indicative projection. Consistent with this, the growth in aggregate deposits of scheduled commercial banks has been projected to grow at 18.0 per cent and non-food credit by 20.0 per cent. The Survey says that the monetary policy stance for 2009-10 is aimed to ensure a policy regime that will enable credit expansion at viable rates while preserving credit quality so as to support the return of the economy of a high growth; to continuously monitor global and domestic conditions and respond swiftly and effectively through policy instruments so as to minimize the impact of the adverse developments and reinforce the effect of the positive developments; and maintain a monetary and interest rate



regime supportive of price stability and financial stability. – **PIB Press Release New Delhi, Dated July 02, 2009**

**CREDIT EXPANSION MODERATES DURING 2008-09 CREDIT TO PRIORITY SECTOR, INDUSTRY & EDUCATION SHOWS ROBUST GROWTH**

**ECONOMIC SURVEY 2008-09**

The Economic Survey 2008-09, presented in the Parliament today, says that expansion of credit by the Banks moderated during the year. Credit by the Scheduled Commercial Banks (SCBs) to the Commercial Sector in the year 2008-09 expanded by 16.9% as compare to 21.0% in 2007-08. Bank credit to the Commercial Sector witnessed strong growth in the first half of the year and decelerated during the second half. There was a moderation in the credit growth rate of SCBs to 17.3% ( Rs. 408099 crore in 2008-09) from a level of 22.3%(Rs. 430724 crores) in the corresponding period of the previous year. The total credit flow from SCBs as on March 27, 2009 was Rs. 27,70,012 crore, of which Rs. 20,11,591 crore was from the Public Sector Banks (PSBs). PSBs registered a growth of 20.4% in 2008-09 compared to 22.5% in the previous year. Non food credit at the end of March, 2009 grew by 17.5 percent as compared to 23.0 percent growth at the end of March, 2008. While loans to agriculture and allied activities grew at the rate of 23.0% as compared to 19.5% in the previous year, credit to industry grew at 21.6% during 2008-09 as against 2.43% in the last year. Advances under personal loans for housing and consumers durables witnessed deceleration. Loans to commercial real estates and NBFCs remained high in 2008-09 with a growth of 44.6 and 25.1% respectively. The private sector lending was up by 22.5% compare to 17.5% from year to year basis as did the education lending with 39.2% growth in 2008-09 compare to 35.0% in the last year. Though the growth in the different sources of funds for the SCBs during 2008-09 was lower than for 2007- 08, the growth in deposits with the banking system in 2008-09 was higher than the growth of credit. The credit – deposit (C-D) ratio peaked to 75.2 as of October, 2008 but declined thereafter. It stood at 72.3 as of March 27, 2009. – **PIB Press Release New Delhi, Dated July 02, 2009**