

## HIGHLIGHTS OF KARNATAKA BUDGET 2004-05

### ECONOMIC SITUATION

- ❖ The latest estimates indicate a real growth of 6.2% during the year 2003-04.
- ❖ The State economy witnessed an average real growth of 5% in last 5 years.
- ❖ Due to three consecutive droughts, agriculture and allied sector saw negative growth in 2001-02 and 2002-03.
- ❖ Similar trend was observed in industrial sector, which however, recovered to about 6% growth in 2003-04.
- ❖ Services sector grew at about 10% on an average.
- ❖ Inflation remained under check at about 4.5 % and interest rates have moved southward.
- ❖ Rapid growth in per capita income from about Rs.17,000 in 1998-99 to about Rs.22,000 in 2003-04.

### FISCAL SITUATION

- ❖ State on track in achieving its medium term fiscal target of attaining revenue balance and reducing fiscal deficit to 3% of GSDP by 2005-06.
- ❖ Fiscal Deficit reduced from 5.36% in 2001-02 to 4.26% in 2003-04 and revenue deficit from 3% in 2001-02 to 1.01% in 2003-04.
- ❖ Karnataka's fiscal correction considered as a role model.
- ❖ Wide ranging Excise reforms and abolition of stamp paper undertaken last year. Excise Reforms brought nearly Rs.300 crores additional in the period of July to December 2003.
- ❖ Strong steps to be taken to further eliminate revenue leakage.
- ❖ Severe fiscal stress caused by unjust denial of Structural Adjustment Loan by Central Government.

### CHILDREN: THE FUTURE

- ❖ Aksharadasoha currently covers 44 lakh children. It has brought additional 1 lakh children back to school at primary level.
- ❖ Aksharadasoha to be rolled out till 7<sup>th</sup> standard in the coming academic year.

- ❖ State of the art Kuvempu Centenary Kannada Madari Shale to be started one in each district with Public/Private partnership.

## **EMPOWERING WOMEN**

- ❖ Sthree Shakti, a self help group programme covers 15 lakh poor families.
- ❖ 1 lakh groups formed till date that have mobilized savings in excess of Rs.150 crores and have received support of about Rs.60 crores from the Government.
- ❖ A Sthree Shakti Gramina Bank to be established to take this movement forward and all Sthree Shakti Groups to be made equity holders of this bank.
- ❖ Indira Jyothi Scheme to be launched to provide a cooking gas cylinder and single burner stove to 15 lakh families in the next 3 years. 5 lakh families to be covered in the ensuing year.

## **SHELTER FOR ALL**

- ❖ State on course to achieve the target of providing shelter to 11 lakh poor houseless families.

## **REACHING OUT TO THE FARMERS**

- ❖ Farmers of the state faced severe problems due to three consecutive droughts.
- ❖ Government extended relief package for farmers to the tune of Rs.880 crores.
- ❖ Relief measures to an extent of nearly 400 crores delivered.
- ❖ New strategy of the Government is to take up farm level drought proofing in a sustainable manner.
- ❖ Karnataka Krishi Abhivrudhi Nigam to be established by merging other agriculture related Corporations.
- ❖ Minor Irrigation Corporation to be established to take up minor irrigation works.
- ❖ Paschima Vahini Neeravari Nigam to be established to take up small irrigation works in the Karavali region through public participation.

- ❖ Irrigation pump sets dues up to 31.3.2003 waived as a one time relief to small and marginal farmers.
- ❖ Interest waiver announced for Coffee growers.
- ❖ “Raita Sanjivini”, an accident insurance scheme covering agricultural labourers and small and marginal farmers to be taken up.

## **SOCIAL JUSTICE AND EMPOWERMENT**

- ❖ 50,000 SC/ST, BC and Minority farmers to be covered under Ganga Kalyana in next 5 years. 10,000 farmers to be covered in the ensuing year.
- ❖ “Shrama Shakti” a scheme to provide financial assistance to occupational groups among Backward Classes to enable them to establish small but profitable enterprises to be launched.
- ❖ A scheme to provide financial assistance to minorities, especially women to promote them to take up self employment.
- ❖ New Scheme to provide financial assistance to Fisherwomen for modernization of retail fish marketing chain.
- ❖ Weavers’ package including benefits like health insurance, pension, infrastructure support, marketing support, access to credit etc announced.

## **HARNESSING YOUNG KARNATAKA**

- ❖ Rajiv Gandhi Sports and Cultural Complexes to be established one in each of the 5652 Gram Panchayats.
- ❖ District level Sports awards to be started from ensuing year.
- ❖ Pre recruitment training for career aspirants in Defence Services.
- ❖ Local Youths to be appointed as Gram Vidyuth Pratinidhi and given responsibilities of meter reading, billing, collection and attending to minor repairs.
- ❖ About 600 Government owned farms to be leased out to rural youth in viable parcels to promote scientific agriculture and organic farming.

## **TAKING GOVERNANCE TO THE GRASS ROOTS**

- ❖ Grants to Gram Panchyats have been raised from Rs. 1 lakh to Rs. 5 lakh.
- ❖ Recent Belur Declaration to be the charter in further empowerment of Local Governments.

## **AS A GRATEFUL SOCIETY**

- ❖ Day Care centres to be established for senior citizens in Bangalore, Hubli, Gulbarga and Belgaum.
- ❖ Geriatric Mobile Clinics and police help lines to be established in six City Corporations.
- ❖ Pension to freedom fighters who have received Tamra Patra from Central Government to be increased to Rs.1,200/-

## **INFRASTRUCTURE FOR GROWTH**

- ❖ About 3500 km of State Highways resurfaced.
- ❖ Comprehensive Project for improvement of about 2300 k.m. of State Highways in North Karnataka taken up.
- ❖ Improvement of more than 2000 k.m. of rural road done with NABARD assistance.
- ❖ Fourlaning of Bangalore-Mysore State Highway started and is expected to be completed in next 18 months.
- ❖ Rural Road Development Fund set up for maintenance and upgradation of over 1 lakh km MDRs, ODRs and VRs.
- ❖ Commodities of mass consumption diesel and petrol already exempted from the cess levied to fund the Rural Road Development Fund.
- ❖ Greater Bangalore Water and Sanitation Project with a novel mix of resource through beneficiary contribution, state government grants and market borrowing to be taken up.
- ❖ Airports at Mysore, Hampi, Bijapur and Gulbarga to be promoted.
- ❖ Development of adequate support structures to prevent sea erosion to be taken up by using advanced technology.

## **BALANCED DEVELOPMENT**

- ❖ Women University started in Bijapur and Commissionerate of Public Instruction in Hubli-Dharwad.
- ❖ Post of Development Commissioner for North Karnataka created.
- ❖ A Water Supply Board for Gulbarga Division to be established.

- ❖ Separate Commissionarate of Public Instruction for Gulbarga region to be established.
- ❖ HKDB to be reconstituted as North Karnataka Development Board with Development Commissioner, North Karnataka as Chairman.