

# Budget Speech 2009-10

**Bismillah- e -Rehman er Rahim**

**Mr. Speaker,**

I am grateful to Almighty Allah for his blessings and it is indeed a great honour for me to present the second Budget of the PPP –led Coalition Government of Sindh before this August House. I would like to begin by thanking the people of Sindh for reposing trust on us and it is their trust and faith which helps us move ahead on a single-minded goal of “**serving people with sincerity and dedication**”.

These are the values that the Pakistan Peoples’ Party has always espoused and represented. The PPP under the inspiring leadership of Shaheed Zulfiqar Ali Bhutto and Shaheed Benazir Bhutto was built and based on democratic values and our Party’s struggle and sacrifices for the “cause of people” are unmatched. Our leaders laid their life for the cause of the people of this country and our workers have rendered unparalleled sacrifices and have suffered at the hands of oppressive regimes.

Realizing the extent and nature of problems confronting the country, our Party Co-Chairman Mr. Asif Ali Zardari reached out to all major representative parties in the Parliament and invited them to join the Federal Government. He thus laid foundation for a new era of “consensus building and co-existence” in the country. Pakistan Peoples’ Party has withstood test of times and we are proud of being a Party that believes in tolerance and co -existence.

**Mr. Speaker**

Unfortunately, the distorted policies of the past autocratic regimes have brought us to this day where the entire country is suffering at the hands of subversive elements, who have disrupted our peace and have killed and terrorized the ordinary citizens. Over 2.5 million Pakistanis have been rendered homeless and it’s a

serious human tragedy for the displaced population especially the children, women and the elderly.

These are difficult and trying times and we are going to stand by our fellow countrymen in this hour of crisis and provide all needed support. The hue and cry raised by some elements is unfortunate as they are trying to play politics on the miseries of homeless people. We are a national party and we will stand by displaced people, who would be registered and provided necessary lodging in camps. In current year we provided cash support of Rs. 70 million and also sent relief goods worth over Rs. 100 million for IDPs. We would inshallah provide another Rs. 200 million for IDPs in next year.

Sindh Government is alert to the internal security situation and by the grace of God, there has not been any major upheaval here, however we remain fragile on account of our own peculiar environment. The recent target killing incidents are under probe and necessary steps are being put in place to check such incidents in future.

Let me again appreciate the support of our coalition partners; Altaf Bhai; Pir Sahib Pagara; Mr. Asfandyar Wali; Ghulam Mustafa Jatoi as without their support it would have been difficult to steer the province out of massive challenges that confront us today.

### **Mr. Speaker**

The overall global economic recession has also affected our country and since last year the country has witnessed very high inflation, deterioration in external account, and declining industrial output. The Federal Government under the dynamic leadership of the Party Co-Chairman and the Prime Minister has made persistent efforts to stabilize the economy and by now macroeconomic stabilization has been attained to a large extent. Protection of the vulnerable groups remains the greatest challenge, for which the Government has evolved the massive intervention of Benazir Income Support Program (BISP), which is now being expanded to 5

million households. In Sindh, we are working on a range of poverty reduction programs.

Our province is resource rich and it has huge natural and human resources. Unfortunately the fiscal framework is over centralized where over 85% of our resources come from the Federal Government. We on our part have consistently requested the Prime Minister of Pakistan to convene NFC and we are confident that given the existing political environment in the country we would be able to cover important ground. However, the internal insurgency has in a way delayed the convening of NFC.

One of the critical issues relating to fiscal autonomy is the “Sales Tax on Services” which is a Provincial Tax being collected by Federal Government. Since last two months we have rigorously taken up this matter and the Federal Government has in principle agreed to allow the Provinces to collect Sales Tax on Services. The Federal Government recently contacted the Provinces to expand the net of Sales Tax on a range of other Services. We insisted that the matter relating to transfer of proceeds be resolved first.

We have been successful in getting Production Bonus Funds released from the Federal Government which were lying with them since last over a decade.

## **Mr. Speaker**

It may be recalled that we set a new tradition, and presented a “One Year Performance Report” before the public representatives two months ago. However, before I present the Budget figures, let me highlight some of major achievements of the outgoing year before the House.

- ✓ We covered strategic grounds on Thar Coal as we were able to get Federal Government’s support in forming “**Thar Coal Energy Board (TCEB)**”, which is a one stop mechanism for approving all projects relating to Thar Coal Mining and Energy under the chairmanship of Sindh Chief Minister

and this organization has been formed under the notification of Government of Sindh.

- ✓ On our request the Prime Minister abolished the controversial Thar Coal Mining Company which was created at Federal level during previous government and had 80% Federal Equity thus signifying that henceforth it is Government of Sindh which will take major decisions on Thar Coal.
- ✓ We have succeeded in getting the World Bank loan approved for Technical Assistance for International Bidding and I am very confident that we would now move on a very fast pace in getting international investment in this field.
- ✓ The TCEB has approved Joint Venture of Government of Sindh with M/S Engro on Block II and both sides are working out JV arrangement and way forwarded to expeditiously develop mining project.
- ✓ Under BBSYDP we have been able to train and enroll over 41,000 youth in multiple trades. This has improved their employability and through this they have been able to receive temporary incomes. There are challenges of connecting them to job market and we are working seriously to evolve a strategy.
- ✓ About 5000 landless Haris have received state land and of these 70% are women. More than 60% of the beneficiaries have also received support package of seed and fertilizer at the rate of 14000 for 4 acres.
- ✓ Under UC based Poverty Reduction Program more than 5300 families have received micro credits for small enterprises and about 1600 poor children have been trained in the Districts of Shikarpur and Kandhkot.

- ✓ Another 4000 poor women have received interest free micro-credits through Women Development Department and RSPs.
- ✓ Under Health; we unfolded a huge intervention to fight Hepatitis in Sindh and by now over 20,000 patients are under treatment and over 4.5 lac children and adults have been immunized.
- ✓ The Chandka Medical College has been upgraded to medical University and titled Shaheed Benazir Bhutto Medical University.
- ✓ We regularized 4 traditional Goths of Karachi and gave propriety rights to over 7000 residents of Sachal Goth, Marora Goth; Yusuf Goth and Zulfiqar Ali Bhutto Goth.
- ✓ Over 28,000 vacancies have been filled in and the remaining 22,000 are under process through Third Party Test based recruitment and through SPSC.

### **Mr. Speaker**

We require huge resources to invest in our public services, renew our infrastructure, reshape our residential areas, and provide water, electricity, housing, sanitation, schooling, health care and access to roads to millions who continue to be denied these elementary building blocks of modern society.

### **Let me present the Revised Budget Estimates 2008-09 before the House**

The estimates of Divisible Pool and Grant-in Aid of Rs. 111 billion have been revised to Rs. 104 billion with shortfall of Rs. 7 billion. The Straight Transfers which were budgeted at Rs.40.8 billion have been revised to Rs. 53.4 billion. The District Support Grant of Rs. 25.7 billion has been revised to Rs. 24.9 billion.

Hence Straight Transfer receipts have increased by about Rs. 12.6 billion and there is shortfall from other receipts of Rs. 8 billion.

Provincial own receipts have remained on track and against Budget Estimates of Rs. 30.3 billion the revised estimates are Rs. 30.3 billion. The overall performance of our Excise and Taxation Department remained on track and the revised estimates reflect 22% increase on Tax collection side.

On the Expenditure side, Current Revenue Expenditure for 2008-09 was Rs. 181.0 billion. This has been revised upward to Rs. 185 billion on account of higher releases to the Local Governments’.

### **Budget Estimates for Fiscal Year 2009-10**

Estimated Revenue Receipts from Divisible Pool including Grant -in -Aid are Rs.125 billion, with 12.7% increase over 2008-09 budget. The Estimates under Oil and Gas Receipts are Rs. 50 billion and these are 6% less than current year’s revised estimates of Rs. 53.4 billion. Over all Federal Transfers are estimated at Rs. 204.6 billion as against revised estimates of Rs. 183.2 billion.

Provincial Own Receipts have been pitched at Rs. 39 billion with an increase of over 29% over revised estimates of outgoing year. Bulk of the increase is on account of possibility of getting arrears on account of Sale of Land and our revenue held in bank guarantees.

On the Expenditure side, the Current Revenue Expenditure has been estimated at Rs. 213.4 billion with an increase of 15% over Revised Estimates of Rs. 185 billion.

Current Capital Budget has a surplus of Rs 5.4 billion as we expect Budget Support Loans from World Bank, Asian Development Bank.

The shares of Local Governments have been worked out to be Rs. 94.4 (including Rs. 27.6 billion of District Support Grant) on the basis of PFC Award and it reflects an increase of 21% over budget 2008-09.

## Development Budget 2009-10

Mr. Speaker,

It's a basic principle of Development Economics that public expenditure especially the development expenditure needs to be increased especially during recession for facilitating greater economic activity that can trigger demand which can then help raise economic productivity in the private sector. Hence despite fiscal constraints we remain committed to raising our development spending.

In the outgoing year the total ADP was **Rs. 67 billion** including Provincial ADP of Rs. 55 billion. **We are increasing the total ADP to Rs. 90 billion with Provincial ADP at Rs. 75 billion.**

The total size of our Development Portfolio adds to **Rs. 113 billion** as under:

○ Provincial ADP	Rs. 75 billion
○ District Governments	Rs. 15 billion
○ Federal PSDP Grants	Rs. 16.6 billion
○ Foreign Project Assistance & others	Rs. 6.3 billion

**Total Budget size is Rs. 327 billion as against total revenue of Rs.310 and there is a deficit of Rs. 16.8 billion in Budget 2009-10.**

This is no doubt a big deficit however a developing province like Sindh with massive gaps on human and infrastructure development has little option but to move ahead with its; **“Agenda for Change and Economic Reconstruction”**. We understand the implications and we plan to meet this deficit through;

- Improving our own revenue collection; mobilizing additional resources; containing current expenditures through ban on wasteful expenditures especially vehicles; maintaining ceilings; discouraging unnecessary foreign visits etc.
- We also expect arrears on account of GST on Services and we have also expectations of resolving the issue of SCARP CDLs.

## Poverty Reduction and Social Protection

Building on the Flagship Programs we launched, i.e the **Benazir Bhutto Shaheed Youth Development Program; the Grant of Land for Landless Haris; Housing for Poor; and the UC -Based Poverty Reduction Program;** the Peoples Government has put in place “ the pillars for inclusive growth”.

Our slogan for next year is, “**Empower Women and Girl Child**”. This is in line with the vision of Shaheed Benazir Bhutto, who envisioned emancipated women as key to overall economic development of the country. We hope that we are able to trigger a process towards “**Empowering Women and Safeguarding Girl Child**”. This inshallah would yield tremendous social and economic benefits for entire society.

For the coming year we are expanding the Social Protection Programs and allocating over Rs. 15 billion for various Interventions.

- Under BBSYDP our target for coming year is to train 75,000 youth and for this we have made an allocation of Rs. 2.5 billion.
- We plan to show results on the Sindh Technical and Vocational Authority and as per our road map we would be able to strengthen and rehabilitate atleast 30 to 40 institutions all over Sindh.
- Grant of State Land to Landless Haris would continue and in the next phase another 5000 beneficiaries would receive land. Thus a population of 100,000 more would directly benefit from this program.
- Under the “Housing for Poor”, different pilot projects in collaboration with UNDP and SRSO are in advanced stage of completion. Integrated Township in different cities are under planning stage and Land has been earmarked in Thatta, Badin, Hyderabad, Khairpur; Benazeerabad; Sukkur; Karachi; Larkana etc.



- The UC Based Poverty Reduction Program would be expanded to other Districts
- In addition to existing 22,000 positions being filled through test based recruitment, another 20,000 new positions mostly in Education, Police and other departments are being created.

**For 2009-10, we would unfold following major programs**

1. **Benazir Women Support Program;** With a view to support incomes of the poor, we are starting a “Cash Grant Program” which would target **500,000 poor women**; again this is towards “**Women Empowerment**” Here identification will be through our MPAs and then this would be further scrutinized through the eligibility criteria. Efforts would be made to reach out to families that are not receiving support under BISP. Rs. 4 billion has been allocated for this intervention.
2. **Micro Finance & Agriculture Credit through Sindh Bank:** We have finally decided to launch the Sindh Bank. This was announced last year however, we held back on account of global financial crisis which also affected the financial sector in Pakistan. We have by now held deliberations with technical experts and we are convinced that this initiative is needed to be taken forward. Let me highlight some of the broad features of the proposed Bank:
  - Sindh Bank would be a commercial venture and the private sector would hold majority shares and the management would also rest with the private sector. This is a conscious decision and we are clear that this Bank has to be managed very professionally on sound management principles.
  - Sindh Bank would have a big component of microfinance and Agriculture credit for targeting farmers in rural Sindh and small enterprises in Urban Slums. Through this intervention inshallah we would expand Micro Finance and Agriculture Credit to millions in Sindh

3. The third major intervention planned for next year is the “**School Nutrition Program**”. Many developing countries run these programs as their social responsibility. Implementation of this program would be a massive challenge however; we realize its critical need for providing minimum nutrition to our children especially the poor and secondly use this as an instrument for encouraging greater school participation. Rs. 2 billion has been earmarked for this program.
4. Towards our resolve to “Empower Women”, the Women Development Department has been playing a very proactive role. Other than working on schemes for providing hostels for working women; shelter homes for women, the most critical intervention they will undertake for next FY is “**Assistance to Women Victims of Violence through Civil Society Organizations**”. This intervention would help us in reaching out to innumerable women who suffer on account of various forms of violence.
5. We have budgeted for “**Rehabilitation of Street Children through Civil Society Organizations**” and our Minister Social Welfare would inshallah evolve a mechanism for providing support for Street Children through the Department.

### **Regularization of Villages and Katchi Abadies**

Work would continue on Regularization of villages and those Goths which have been in existences for ages but have not received proprietary rights. In this regard;

- ✓ Sindh Gothabad Rules have been prepared and Taluka-Wise Survey Committees have been constituted in 23 districts. Survey Committees in for Keemari, Gadap and Bin Qasim Town have surveyed 245 villages and Sanads for 21 Goths of Keemari Town are ready for distribution.
- ✓ Simultaneously we are setting up an Anti-Encroachment Directorate which will have an Enforcement Force for handling the rising menace of land grabbing in Karachi and elsewhere and for this we are providing Rs. 197 million.

- ✓ Rs. 921 million stand earmarked for computerization of Land Records and we intent to attain major progress on this initiative.

### **Emergencies and Relief Work**

We have remained sensitive to the issue of a range of emergencies, including accidents; bomb blasts; drought in Thar; earthquake in Baluchistan; issue of IDPs and have extended assistance within the province as well as outside.

- As against a budget of Rs. 200 million we spent over Rs. 700 million in reaching out to people in distress on varying occasions.
- Provincial Disaster Management Authority is being strengthened and we have created a Fund of over Rs. 200 million for the Disaster Management which will be built up to Rs. 1 billion gradually.
- In addition we would undertake “Rehabilitation of Disaster prone areas in District Thatta and Badin in Partnership with PPAF” and undertake Drought Mitigation intervention in Thar through RSPs.

### **Law & Order**

We are fully alert to the disruptions that happen time and again and on all such occasions we engage our coalition partners so that there is collective responsibility at all a level. We are thus alive to the complex set of challenges on account of current internal security situation and the Government is trying to provide all required resources for expanding the Police Force and for equipping it with modern gadgetry for a more robust surveillance and intelligence system.

- Overall Police Budget has been pitched at Rs. 24.2 billion for FY 2009-10, with 11% increase over last year. This includes provision of Rs. 1.2 billion for Vehicles; Surveillance system; Arms & Ammunition.

- **We would provide 5000 new posts for further expanding the Police Force.** 1000 Police Personnel are being trained and provided incentives for establishing “**Rapid Response Force**” which can respond to terrorists’ activities.
- E-Policing system has been planned for which Rs. 400 million have been provided.

### **Prisons’ Reforms:**

Special attention is being given to the Reform and Rehabilitation of Prisons in Sindh and for this sizeable increases have been provided in fiscal outlays:

- Jail Platoons and a separate Court Police would be raised for which Rs. 300 million have been provided.
- Dietary charges for prisoners were terribly low, calculated at the rate of Rs. 37 per prisoner per day. These are being raised by over 120% to Rs. 75 per prisoner per day. For this Rs. 547 million has been allocated.
- Allocation for medicine has been raised from Rs. 2.5 million to Rs. 25 million and Rs. 25 million has been provided for bedding & furniture.
- We would explore possibilities of outsourcing these essential services of diet; medical care; bedding through philanthropy organizations like EDHI or SEELANI Trust for bringing about improvements in the overall conditions in the prisons.

**Mr. Speaker**

**Let me move on to Major Sector Overview and Budget outlays for these sectors**

**Health Sector**

Health continues to be a central priority for our Government and for coming year, the Health Development Budget has been increased from **Rs. 3.5 billion to Rs. 5.23 billion, with 49% increase.**

In terms of Governance Reforms, the most critical intervention being planned is the establishment of **Community Health Management Boards for all Hospitals up till Taluka level:** We are now convinced that unless we do not have “Responsive Management” at Hospital level, the overall quality of health services will remain poor. Our MPA, Dr. Sikander Mandero Sahib has been working on the structure of these Boards and inshallah he would place this before the Assembly for enactment. These Boards would ensure:

- General Oversight over all affairs of the Hospitals including availability of medical staff for ensuring availability of desirable level of health services.
- On the Primary Health side, we will continue to strengthen the Peoples’ Primary Healthcare Initiative (PPHI), Sindh. For coming Financial Year we would ensure availability of a **Female Medical Officer in almost all BHUs and Mother & Child Centres** and for this we would provide additional grant of Rs. 300 million.
- An Endowment Fund is being created for PPHI to enhance its sustainability and ensure steady resources
- Health Department would evolve a framework to strengthen, **“Rural Health Centres”** in Sindh and **we would dedicate 2009-10 to Revitalization of RHCs in Sindh.** Here availability of Medical Staff would be ensured through better incentives linked to service output. Physical infrastructure would be revamped; essential emergency services would be provided and a complete revitalization program would be launched.
- We are allocating Rs. 300 million for strengthening of Nursing and Paramedical Institutes in Sindh in collaboration with private sector for improving the overall quality of training.

- Work on the on-going initiatives of, “Hepatitis Free Sindh”; “Rehabilitation of District Headquarter and Taluka Headquarter Hospitals” would inshallah take speed and for this we are making adequate allocations.
- Given the gaps on the side of Emergency and Specialist Services, we plan to establish Burns Centres and Thalessemia Centers in most of the major hospitals. Cardiac Units would be set-up under PPP mode.
- Institute of Medical Services at Shahdadpur is being be strengthened.
- SIUT has started urology services at the Chabblani Hospital in Sukkur to cater for patients in the north Sindh. Further a full-fledged centre is being set- up in the vicinity of Khairpur and Sukkur.

## **Education Sector**

Education Sector remains a top priority with the Government. Here the service delivery is impacted due to issues of Governance and the Government is striving hard to overcome the problems through serious efforts at reform. The overall allocation for Education on Development side has been pitched at **Rs. 6 billion with 27%** increase over last year.

- Education Reform Program is being implemented with the support of the World Bank and we were able to receive US\$ 100 million last week. Here we are primarily trying to improve enrolments as well as quality of Education. As committed under reforms, teachers are being recruited through a transparent test based system.
- We are increasing the “Girl Child’s” stipend from Rs. 1000 per year to Rs. 2400 per year. This would be provided twice a year for encouraging enrolments. **Over 330,000 girls** would benefit from this. Stipends in the 30 Talukas having very low “Girl child” enrolments would be enhanced from Rs. 2400 to 3600 per year.

- Free Textbooks were provided to all the 4.3 million children enrolled in our public schools. For next year this is being expanded to Grade 11 and 12 and approximately 4.6 million children would receive Free Textbooks.
- Endowment Fund for Scholarships for Higher Education is being expanded from Rs. 1 billion to Rs. 1.25 billion. We plan to improve the outreach so that thousands of children from Sindh can avail this facility.
- Under “School Rehabilitation Program” over 6000 schools have been provided with missing facilities and for next year Rs. 2.5 billion will be spent through District Governments on the basis of performance.
- Government has initiated a program for supporting “Low Cost Private Schools”, in the un served rural and semi -urban areas. By now 200 schools have been opened and 25,000 children have been enrolled. Government would provide Fees for the children in return for an agreed standard of Education. This model would be raised to 3500 schools with approximate 500,000 children in coming one to two years.

For expanding higher Education; Government is partnering with private sector and with established public sector institutions for setting -up better quality institutions. In this regard:

- Engineering Colleges at Khairpur and Larkana are being set-up as a Constituent Colleges of Mehran University and Quaid-e –Awam University Nawabshah respectively.
- Dadu Institute of Management is in advanced stage of planning and this is being established in collaboration with M/S SZABIST. Cadet College Dadu is also being undertaken through ADP and Rs. 400 million stands provided.
- Government Colleges of Technology Hyderabad, Nawabshah and Karachi would be revamped with new technology; training of staff for improving quality of training.

- The Petroleum Institute of Badin would be revamped in collaboration with private sector through STEVTA. Computer Labs in Schools and Colleges would be undertaken through out -sourcing .

## **Water Supply and Sanitation**

For the coming year, the Water and Sanitation portfolio has been pitched at **Rs. 3.79 billion** for 272 Water Supply and Drainage Schemes as against revised allocation of Rs. 2.76 billion during 2008-09.

- About 60 water supply schemes and 66 drainage schemes would be completed next year benefiting 0.277 million population with water supply facility and 0.216 million population with drainage facility.
- Sindh Cities Improvement Project is now finally on ground and the North Sindh Utility Corporation (NSUC) has been formed. Master Plans for the Drainage of Larkana and Khairpur have been completed and now drainage works would be undertaken. Water Supply Projects for Khairpur; Rohri; Sukkur; New Sukkur would soon be undertaken.
- In second phase we will move to Central Sindh Cities and then to Cities in South Sindh. We would inshallah bring in massive transformation in the water and sanitation portfolio of our major cities through these utility companies.

## **A Business Friendly Government**

Sindh's development and prosperity of its people will depend on our road map for economic growth and I am absolutely clear that we in Sindh would need to come out as "**Business Friendly Government**". This requires extensive governance reforms ranging from a transparent land management policy; an expedient civil litigation system; a rational tax structure. More than anything our Regulatory Role



has to improve drastically. In this regard necessary review is being undertaken through the Sindh Board of Investment under the Advisor for Investment. Inshallah we would streamline our regulatory procedures for a more conducive environment for investments.

- ✓ Necessary security would be provided for Industrial Areas and as per our commitment each area will have One Police Station equipped with vehicles and sufficient manpower.
- ✓ We stand committed to Labor Welfare. There are about 490,000 registered labor with SESSI and incase this system does not provide adequate health; life insurance and other welfare to the labor then we stand committed to review the system to improve the lot of Labor in Sindh.
- ✓ For improving Governance structure of Industrial Sites, we plan to reform the Legal and Institutional Structure of SITE. Rs. 800 million has been budgeted for evolving Management Boards at the level of each SITE and rehabilitating Infrastructure through these Boards.
- ✓ We are establishing **Special Economic Zones** in Sindh for a focus on regional Agro Industrial clusters such as; Rice processing; guava; dates; mangoes and chillies etc.
- ✓ **Japan Special Economic Zone** would inshallah be on ground next year and for this the Japanese team has identified the land and the Advisor Investment has visited Japan in this regard where some of the major international companies like Mitsubishi, Sony and others have shown interest to invest in this Zone. Once finalized, we expect considerable foreign investment and job creation for local population.
- ✓ The development of “**Education City Township**” which has pending for long will be taken up and Sindh Board of Investment has been directed to work out a model for moving forward on this.

Allocation for Industries Sector has been raised by 33% from Rs. 1.2 billion to Rs. 1.6 billion and following on- going schemes are planned to be completed next year:

- ✓ Water Supply Pipeline from Keenjhar Lake to SITE Nooriabad is continuing at fast speed and this would be completed next year.
- ✓ Constructions of 5 MGD Filter Plant at SITE Hyderabad and Extension of Small Industrial Estate, Hyderabad will be speeded up.
- ✓ Development of Infrastructure at SITE Benazeerabad has been expedited and by next year the long pending issues of water supply; drainage and other infrastructure would be over come.

### **Thar Coal**

On Thar Coal, we will continue to work on our multi-track strategy to develop Thar Coalfield and by now we have attained following milestones:

- ✓ World Bank assisted TA Loan of US\$ 30 million is on ground and we would inshallah have consultants arriving in Sindh shortly for preparing documents for international Bidding.
- ✓ A **Thar Coal Infrastructure Package of Rs. 2 billion** has been earmarked to begin work on infrastructure on fast track basis. We are moving ahead on Construction of Airstrip at Islamkot.
- ✓ M/S China National Machinery Corporation (CMC) and Oracle Coalfield (UK) have completed their exploratory work in Sonda and Thar Coalfields and they are expected to submit their feasibilities soon.
- ✓ Model Quarries at Thar, Thatta would be set-up in partnership with Pakistan Stone Development Company.

## Energy

Efforts are being made to harness alternate energy sources like Solar, Wind, and Geo-thermal in collaboration with international and national companies. Following major initiatives are envisaged for next year:

- Installation of Solar Powered water pumping units and desalination plants in rural areas of Sindh. Use of Wind / Solar / Bio-gas energy for Irrigation & Agriculture Projects.
- Rs. 900 million were provided to Sui Southern Gas Company and by now provision of Gas to 71 villages is under progress. For next year we have allocated to Rs. 1.1 billion for its implementation.
- Under Village Electrification Rs. 1 billion stand released to HESCO and for FY 2009-10 another Rs. 1 billion stand provided.

## Public Private Partnership

- Feasibilities are under way for Keenjhar Lake Recreation Resort; the Kirthar Park; and for Gorakh Hill Resort.
- College of Arts and Design Sukkur (CADS) is under bidding stage for seeking private sector long term management contract.
- We have signed an Agreement with Competitiveness Support Fund (CSF) for promoting Agri Businesses in Sindh. **A Sindh Development Fund of Rs. 2.4 billion has been** established and CSF would support the Government in a range of Agri Businesses including Agro-based processing units; Cold Storages; Feasibility for Keti-Bunder Fish Harbor would also be taken.

## **Food, Agriculture, Livestock and Fisheries**

Revitalization of Agriculture, the empowerment of our farmers and the modernization of the rural economy is critical for Sindh's Development. We have improved the terms of trade for our farmers, most importantly by increasing the minimum support prices payable for food grains. This in turn boosted the overall productivity and has led to better farm incomes. In Sindh the major crops' productivity gains in current year have been as under:

- Wheat production grew from 3.4 million tons to 3.54 million tons;
- Rice production increased from 1.8 million tons to 2.5 million tons;
- Cotton production went up from 2.5 million Bales to 2.9 million bales;
- Sugar Cane dropped from 1.8 million tons to 1.3 million tons.

For Current year, Government has been able to achieve the Wheat procurement target of 1.2 million tones. For next year, Government of Sindh would recommend timely fixation of support price for encouraging wheat production for food security.

The allocation for Agriculture has been raised by 89% from Rs. 2.3 billion last year to Rs. 4.8 billion for FY 2009-10. Some of the achievements have been as under:

- On the side of Lining of Water Courses, the department has been able to achieve a target of 2000. For next FY, the target has been fixed at 3000 water courses
- 200 Tube Wells have been installed on 50% subsidized rates. Drip Irrigation System has been installed on 620 acres where 80% cost has been borne by the Government.
- For coming year, Sindh is embarking upon providing 3000 Tractors on subsidized rates. These would be provided to the Khatedars through balloting and Government would provide a subsidy of Rs. 2 to 3 lacs.

- Service Centers would be set up in rural areas on public private partnership basis for provision of inputs on subsidized rates.
- To combat water scarcity of water 500 water reservoirs will be constructed and schemes for High Efficiency Irrigation Technology will be launched with the assistance of Federal Government.
- Cut Flowers and Tunnel Farming is being taken up next year.

**Livestock and Fisheries Sector** is critical in terms of its impact on peoples' lives and food security. The allocation has been increased by 36% from Rs. 2.4 billion to Rs.3.2 billion in 2009-10.

- We have begun work to establish **Sindh Diary & Meat Development Company** on modern lines for facilitating a more robust outreach to Dairy and Meat sector in Sindh. This Company has been provided with a seed money of Rs. 900 million and it would undertake following major initiatives.
  - Training of Farmers on a range of Farm Management Components;
  - Strengthening of Extention Services and linkages with milk processing;
  - Enhancing the fodder production and establishment of Bio Gas Plants.
- Over 2000 rural women have been trained in farm management and the department would inshallah develop a “**Lady Livestock Workers**” Cadre for providing extention workers through women to women farmers.
- On the Fisheries side, we would rehabilitate the Demonstration Farms at Gharo through Private Sector involvement. At the same time we are finalizing a Land Lease Policy for expanding Fish and Shrimp farming on the Coast.
- The environment conditions at Karachi Fish Harbor are being improved and we are confident of meeting the EU conditional ties for Exports.

- We would undertake improvement of Fishermen Settlements in Rural Coastal Areas of Thatta & Badin through Civil Societies would be taken up next year.

## **Irrigation**

We are alive to the massive challenges that we face on account of water shortages but we must acknowledge that the issue of shortages also occurs on accounting of malfunctioning of our system where we now need to address issues of water management including transparent distribution of water; water conservation techniques and a robust maintenance of irrigation & drainage network.

During the year 2008-09, Rs.3.3 billion was allocated for 127 schemes. Of these, 37 schemes are likely to be completed by June 2009. For coming year **Rs. 4.9 billion** is being allocated to Water Sector. Federally funded projects have been provided adequate funding on our request and we would inshallah show results:

- ✓ 60% work on “**Rehabilitation of Irrigation & Drainage System in Sindh**” has been completed and **Rs. 1.25 billion** has been earmarked for by Federal Government this for next financial year. This project will improve operational efficiency of our canal system and help carry water to the tail enders.
- ✓ **Right Bank Outfall Drain (RBOD II)** is an important project for carrying drainage from Sehwan to Sea. This has also been given adequate allocation of **Rs. 3.5 billion** on our request and hopefully we should be able to move on this on fast track basis.
- ✓ **Rs. I billion** has been allocated for “**Lining of Distributaries & Minors**” in Federal PSDP for next year and this will help us move faster on this important scheme which will help us in cultivating 8 lac Acres of additional land by saving water after lining of channels.

Through our Provincial financing we would continue work on some critical on-going schemes and the new portfolio identified under water and drainage sector;

- Improving Water Supply for Karachi through up-grading of Kinjhar Lake System.
- Lining of Rice Canal on both sides in Larkana City.
- Construction of Bund Weir-III across River Malir at Demlottee Well.
- Construction of Retaining Walls and Development Works in Larkana Drainage Division & North Dadu Drainage Division.
- Construction of Small Dams & Re-charge Dams in Lower Kohistan and Nai Gaj Dam has been taken up with federal funding.
- Rehabilitation of existing Drainage Network to control the seepage and salinity in District Khairpur.

## Urban Development

Provincial Government is well aware of development needs of our major cities including Karachi, Hyderabad, Sukkur, Larkana, and others. We understand that urban revitalization is tremendously important for economic growth and job creation. Karachi being the hub of trade and industry requires greater financing for meeting the ever increasing need for infrastructure and accordingly, the Government has made adequate funding available for all major on- going initiatives and also for new investments. Some of the major projects being taken up in the coming FY are:

- **Karachi Greater Karachi Sewerage Project (S-III)** after long delay is being taken-up with Federal and Provincial financing. This entails a massive work on creating cleaner rivers; expanding the waste water treatment facilities. We have provided Rs. 300 million and Rs. 500 million stands earmarked in federal PSDP 2009-10.

- The KCR project suffered from huge delays on account of procedural issues and by now it is in final approval stage and would be implemented with Japanese assistance. Government of Sindh has 25% equity in the Karachi Urban Transport Company which would undertake this project.
- We have budgeted for feasibility of the Mass Transit System needs of the metropolis, which had been lying abandoned for over a decade. Rs. 200 million has been allocated for this.
- Lyari Expressway Resettlement as well as Expressway was suffering from a delay since last more than two years. The issue has been resolved and we are expecting sizeable funding from Federal Government for facilitating Resettlement as well as completion of remaining section of the Expressway.
- **Rs. 1.02 billion** has been budgeted for different Road projects of Karachi.
- In FY 2008-09, a development package of Rs. 2 billion was provided for Karachi.
- **For next year an allocation of Rs. 3.6 billion has been provided in the ADP for Karachi Package including components for Lyari; Malir; Keemari and Rural Karachi.**
- Federal Government has provided a Rs. 2.5 billion package for Karachi for 2009-10.
- We have taken up development of Shaheed Benazir Bhutto Park at Boat Basin, Clifton at a cost of Rs. 800 million.
- Under Lyari Package, Rs. 500 million were provided in CFY and another Rs. 500 million earmarked for next year.
- Under Hyderabad Package Government has financed over Rs. 3.6 billion for 31 schemes costing Rs.4.1 billion relating to Roads / Flyover, Water supply;



Sanitation; Sports; Parks etc. Rs. 595 million were provided under ADP 2008-09.

- For next year, Hyderabad has been given an additional amount of Rs. 500 million over and above their regular allocation and Federal Government has provided Rs. 2.5 billion for Hyderabad Drainage Package.
- Provincial Government has earmarked Rs. 287 million for the Qasimabad Drainage Scheme.

### **Larkana Development Package:**

- Rs. 2 billion package was provided by the Government of Sindh for financing priority schemes of Larkana costing Rs. 4.6 billion. The amount stands fully released and Rs. 1 billion of federal commitment have also been received.
- A huge portfolio of roads and drainage works would be undertaken in Larkana, Benazirabad, Hyderabad with federal financing.

### **Road Sector**

Roads are the most crucial element in the economic growth of any region; and Government of Sindh has been providing massive financing for this sector since last many years. In 2008-09 Rs. 11.4 billion was provided for 570 schemes (Ongoing 362, New 208). With above investment 30 schemes are to be completed; 1299 kms of new roads and 624 km of roads improvements would be finalized.

For 2009-10, Rs. 13.55 billion is being allocated for the road sector and of this Rs. 9.2 billion will be for on-going schemes for attaining early completion of schemes. Some major schemes in hand are:

- ✓ Thatta-Sujawal Road along with Sujawal Bridge (30 kms) has been Rehabilitated under ADB Assisted Program at a cost Rs.900 million.

- ✓ 500 kms of Rural Access Roads have been undertaken with Japanese Assistance.
- ✓ Khairpur -Larkana Bridge over Indus is being implemented by NHA and Rs. 4 billion has been provided for next year.
- ✓ Bridge on Indus from Sakrand to Amri and Bridge over Indus at Jherruck-Mullah Katiar has also been included in Federal PSDP.

### **Culture; Antiquities**

Sindh is land of sufis, folk artists and has a rich cultural setting and history. The province has tremendous cultural heritage waiting for conservation as well as linking with tourist opportunities. Some of the important initiatives are:.

- Open Air Theatres at Khairpur and Larkana have been inaugurated. Cultural Complexes which will include Museums; Art Galleries and Auditoriums are being established in all Districts of Sindh.
- Our Minister Culture's persistent efforts have helped us in getting 128 Archeological Sites back from Federal Government including Makli; Ranikot and Kotdiji Fort and many others. We would inshallah soon begin conservation work on these Sites.
- An Endowment Fund is being established for Poets, Writers and Artists in Sindh.
- Sindh Indigenous Crafts Company (SITCO) has been set up for extending support to traditional Arts and Crafts for product development and market connection.

- The Antiquities Department is working on a range of schemes relating to built heritage including:
  - Conservation of Jain Temple at Bhodiser and Site Development;
  - Conservation of Mukhi House and establishment of Museum;
  - Conservation of Shah Jehan Mosque Thatta;
  - Heritage park and open Air Museum; Shikarpur City Museum; Sindh Digital Museum.
  
- On Sports; we recognize that Sports breed healthy societies and the Government considers it as a medium for social development. The Provincial Government is taking measures to promote sports activities. Rs. 296 million has been earmarked for development of sports facilities and youth promotion through-out Sindh.
  
- The IT department is working on a range of projects for promoting IT in the province. About 2000 youth have been extended “Call Centre” trainings. 16 IT rural community centres have been established.
  
- Information Department is attempting to improve the outreach to media especially the print and electronic media. One of their significant initiative is Establishment of Sindh Media Centre at Karachi including its feasibility Study.
  
- We are allocating Rs.200 million for Minority welfare.

## **Pay and Pension**

- Consistent with Federal Government’s announcement, the Government of Sindh is enhancing the Salaries and Pension of its Employees by 15%. This would have an impact of Rs. 8 billion but we would inshaallah finance this to provide relief to government employees.
  
- We are enhancing the minimum pension from Rs.150 and Rs. 300 per month to Rs.1500 per month for Pensioners/Family Pensioners and over 25000 low

paid pensioners are expected to benefit from this intervention and we have provided Rs. 193 million for this.

### **Mr. Speaker**

Despite a dire need for additional resources we are presenting a Tax Free Budget in essence. The proposals being submitted are tax rationalization aimed more at relief and rationalization. Following proposals are submitted:

- ✓ For providing relief to the Exporters it is proposed to reduce the Stamp Duty on “Bill of Exchange” by 50% from the existing 0.3% to 0.15%. Necessary steps would be undertaken to streamline and simplify collection.
- ✓ Stamp Duty on Acknowledgement Receipts, Agreement or Memorandum of an Agreement, Bond, Certificate or other document, Contract, Purchase Order, Counterpart or Duplicate, Lease, Promissory Note, and Settlement is being rationalized and increased nominally as the existing rates on these documents have become irrelevant. The increase will not impose any direct burden on general public.
- ✓ Provincial Government proposes to decrease the “ Occupancy Ratio” from existing
  - 80% to 40% in case of Hotels charging upto Rs. 1000/-.
  - 80% to 60% in case of Hotels charging above Rs.1000/- .
- ✓ On the recommendation of Public Accounts Committee, a penalty is being imposed on default of Registration on various kinds of vehicles for preventing default and reducing misuse of unregistered vehicles in criminal activities.
- ✓ Electricity Duty is being proposed to be reduced to provide the relief to Domestic, Commercial, Industrial, and Agricultural Consumers.

**Mr. Speaker**

Let me conclude by emphasizing that we stand fully committed to fighting hunger, illness and poverty of our people and for this we will continue to put resources in direct poverty reduction interventions and for encouraging investment for greater economic development and greater job creation.

Our development vision is now more inclusive, the public representatives have greater involvement in development priorities as they stand accountable to their constituencies. There is system of holding regular Khuli Katchies for which we issue schedules and we have a Complaint Cell in the Chief Minister's Secretariat for addressing urgent grievances.

**Mr. Speaker**

It's our four decades of struggle and blood of our leaders, workers that we find ourselves in this House today. We have huge responsibilities and a massive mandate to deliver to the people of this country. But then we are followers of Quaid- e -Azam; Quaid-e-Awam and Quaid-e Jamhooriat and we stand committed to fulfill their Mission and So We Shall.

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