



ADDRESS

of

**THE HONOURABLE
GOVERNOR OF MIZORAM
Dr. HARI BABU KAMBHAMPATI**

to

THE SECOND SESSION-CUM- BUDGET SESSION

of

**THE NINTH LEGISLATIVE ASSEMBLY OF
MIZORAM**

on

19th FEBRUARY, 2024

Hon'ble Speaker and Hon'ble Members

I am immensely pleased to address all of you as the business of this august House commences for the 2nd Session of the 9th Mizoram Legislative Assembly. I express my sincere greetings and warm wishes to this House and to the people of Mizoram.

I would like to reiterate my Government's commitment towards providing efficient, responsive, responsible, accountable and transparent administration at all levels of governance. My Government's vision is to be economically self-sufficient and self-reliant; to usher agricultural and infrastructural growth, to bring about industrial development, as well as to empower our youth through skill development, entrepreneurship programmes and sports.

I would also like to take this opportunity to once again commend and appreciate the people's active participation in the electoral process last year. The people's aspiration for change has been unambiguous and clear. They have sought a change in the manner in which the state has run, a change in priorities, and a change in the processes and focus of governance. I assure the people that my Government shall make every effort to be true to the mandate.

I am confident that under able leaders like you, Mizoram will continue on its path of lasting peace, economic prosperity and all-round development despite challenges that face us from time to time. I am convinced that with your tireless efforts and your vision for the state and its people, Mizoram will one day take its place as one of the most developed and progressive states in the country making the dream of '*Viksit Bharat*' or Developed India by 2047 come true.

Hon'ble Members,

The purpose of a Budget is to create a conducive economic space and find the resources to achieve various socio-economic objectives. We must remember that every Budget strives to create an enabling atmosphere for farmers, entrepreneurs, workers and businesses to take initiatives for robust growth and ensure that the benefits of growth reach all sections of the population. Whether or not today's announcements make tomorrow morning's headlines matters little, as long as they help in shaping the headlines that describe Mizoram a few years from now.

At present, I acknowledge the economic space is constrained and we do have challenges and issues to address in the state of our economy and our financial condition. Due to small base of our own tax revenue, decreasing Post Devolution Revenue Deficit Grant, low level of investment by private sectors and

at the same time, to meet higher committed expenditure, the state has to resort to borrowings, hence, we have a public burden and fiscal deficit. But, with every challenge, there is always an opportunity – to re-think, re-assess and make way for new ideas and policies.

To correct economic headwinds, we need a multi-pronged approach that must include, among others, fiscal prudence, financial discipline, austerity measures, judicious resource management and effective mobilization. However, we must bear in mind that all these steps cannot bring overnight changes in our economy and better our financial condition. It requires time, hard decisions and bold steps before getting desirable results. Hence, we must be prepared for at least a year of financial consolidation and fiscal stabilization. Fiscal consolidation alone cannot be effected only by cutting expenditure but wherever possible, revenues must also be augmented and generated as well.

Economic policy, as in medical treatment, often requires us to do something, which, in the short run, may be painful, but is good for us in the long run. We are now at a juncture where it might be necessary to take hard decisions. As Hamlet, the Prince of Denmark, had said in Shakespeare's immortal words, "I must be cruel only to be kind."

We have to improve our macroeconomic environment and strengthen domestic growth drivers to sustain growth. For this we have to accelerate the pace of reforms keeping in mind fiscal prudence. I know that mere words are not enough. Time has come to review the allocative and operational efficiencies of Government expenditure prudently to achieve maximum output.

Our aim must be to transform Mizoram into a truly Welfare State which is self-reliant, and its development, both inclusive and sustainable and where governance is transparent and participatory. Towards this end, my Government is committed to strike a fine balance among the three mutually reinforcing objectives of growth, stability and equity.

The growth rate of an economy is correlated with the investment rate and I feel that attracting investment is quite an urgent need that we must focus upon. Investment is an act of faith. We need to improve communication of our policies to remove any apprehension or distrust in the minds of investors, including fears about undue regulatory burden. Our 'Ease of Doing Business' must be seen as easy, friendly and mutually beneficial. I am confident that the Mizoram Sustainable Investment Policy 2024, which was approved by the Council of Ministers on 5th February 2024, will be an earnest step towards attracting investment in various sectors of our economy.

This Policy envisages creation of investment zones, establishment of Industrial Infrastructure Maintenance Fund, terms of land lease to outside investors, sector-wise safeguards for indigenous entrepreneurs and institutional and procedural frameworks for investment to name a few. The Policy will aid in attracting diversified investments, create employment opportunities, enhance infrastructure, promote skill development, facilitate technology adoption and boost the overall socio-economic growth of the state.

Agriculture has been the single most important source of livelihood of the rural masses in our state, contributing to about 26 percent of Gross State Domestic Product. It is an important sector for food security, employment generation and economic growth. Since a large workforce of our state is engaged in agricultural and allied activities, targeted development of agriculture and allied sectors will be a core priority of my Government.

I am happy to share that recently the Council of Ministers in its meeting held on 5th February 2024, approved the Operational Guidelines for Agricultural Market Assurance Fund (AMAF) for procurement of notified crops produced in the state through State Level agencies from farmers associations, societies, Farmers Interest Groups (FIG), Farmers Producer Organization(FPO) and Primary Agricultural Cooperative

Societies (PACS). Initially, four crops – ginger, turmeric, chilly and broomsticks are being targeted and in subsequent years, I hope more crops may be included.

Improving the marketing aspect of agricultural produce by increasing physical market infrastructure and protecting the general interest of farmers will be accorded importance as well. Horticulture, fisheries, veterinary and animal husbandry and sericulture activities, which are key means of livelihood will also be given renewed attention.

This year, a new hand-holding policy – '*Bana Kaih*' will be launched by my Government. This innovative policy will address the issue of availability of institutional credit, particularly microcredit, both for agriculture and small industrial endeavours which have been a pertinent issue in the past. The policy will be implemented syncing various programmes, schemes and initiatives of the Central Government.

My Government recognizes the need for development, construction and maintenance of infrastructure in the State, among which road infrastructure is the most important. In a hill state like ours, improving road connectivity has been a major challenge. My government is committed to leave no stone unturned to improve the quality of all roads and to ensure better road networks and connectivity with neighbouring states.

Improvements of all projects under the Road sector are being prioritised. Innovations and new practices in road technology will be incorporated wherever possible.

Lack of adequate infrastructure is a major constraint on our growth. Development projects particularly those related to infrastructure have to be monitored properly to ensure public accountability, timely completion and quality control. Mizoram State Project Monitoring Committee under the Chairmanship of the Hon'ble Chief Minister of Mizoram has been constituted on 22nd January 2024, to mandate monitoring of important and major infrastructure development projects.

It will be the endeavour of my Government to make the state self-reliant in power and energy, with special emphasis on additional power generation through solar and other renewable energy sources. Efforts will be made for improving efficiency in generation, transmission and distribution of power.

My Government will increase focus on improving all facets of urban life by putting in serious efforts to make the best use of the various Schemes of the Central Government and also augment them through available resources of the state to address urban challenges we face today. At the same time, rural development and poverty alleviation will be key priority areas since development will not be inclusive if the pace of development is not the same in rural areas.

We must realise the importance of preserving our environment not only for the present generation, but also for future ones and the dangers that Climate Change and Global Warming pose towards the environment. Economic growth at the expense of the environment is not what Mizoram and our country needs but rather a synergy between the two.

Priority will be laid to ensure that opportunities are open for the youth to excel in various professional and vocational fields with necessary incentives and capacity building programmes. Entrepreneurship and self-employment will be encouraged for which necessary training and awareness programmes on skill development will be given impetus.

The changing economic scenario and rising social expectations require significant changes in our educational programmes. The National Education Policy 2020 will be a guiding force in enhancing the quality of education in consonance with traditional values and ethos of Mizo society.

For an agricultural and non-industrial based economy like ours, tourism has a tremendous potential in generating revenue and in employment generation. Efforts to place Mizoram as a preferred tourist destination in the domestic and international circuit will be undertaken in a focussed manner. Rural tourism can help the rural economy and special emphasis will be laid

to encourage community participation in tourism activities. Simultaneously various measures for the promotion of industries and industrial activity in the State will be taken up.

My Government will give priority to providing welfare programmes and services to the weaker and vulnerable sections of the society. The menace of drug abuse and drug trafficking that has assumed alarming proportions in our State is one the Government recognizes with all seriousness. Measures will be taken to eradicate these social evils.

The Government is committed to preserve and promote Mizo identity, tradition and values. This Government will endeavour to work for the unity and brotherhood of all Mizo people living within India and across the globe within our constitutional framework.

Since the economy of Mizoram is chiefly agriculture-driven and non-industrial, it has a smaller tax revenue base than many other states. Innovative steps with public support need to be taken to widen our revenue sources and increase revenue collection since such measures will contribute to the strengthening of the State's economic condition.

Our broad vision and strategy need to be growth with equity, based on enhanced livelihood options through agriculture and

rural development, better resource management and development of human resources including relevant skill up-gradation.

The prevailing economic situation presents a great challenge. It calls for a conscious choice to be made by all of us. Should we allow this drift to carry on and watch helplessly? Should we allow our future to suffer because of our indecisiveness? Should we be victims of mere populism or wasteful expenditure? To me, the response and the remedy are both clear. The task ahead of us, is no doubt, very challenging because we need to sustain growth, raise and mobilise adequate resources for our developmental needs. On the other hand, the task is simple if we accept the principle that we cannot spend beyond our means. As I have outlined earlier in my speech, we need to introduce fiscal prudence that will lead to fiscal consolidation and discipline. Bold steps need to be taken to enhance economic activity and spur economic growth.

I assure you that My Government remains committed to bringing about prosperity and all-round development for the people of Mizoram and maintenance of peace and unity within the State. I am confident that My Government will continue to receive the continued cooperation and support of the Hon'ble Members of the House and of the citizens of Mizoram.

Democracy acknowledges diversity, respects dissent, encourages debate, and decides through a government of elected representatives. Neither populism nor majoritarianism nor individualism is an alternative way of governance.

Finally, I would like to remind this august gathering about our responsibility and commitment to the electorate, and make all efforts to observe financial propriety, transparency and accountability to the public. I convey my best wishes to you once again and wish you very fruitful deliberations.

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