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Title : President's Address to both the Houses of Parliament assembled together on the 16<sup>th</sup> February, 2006 – Laid.

SECRETARY-GENERAL: I beg to lay on the Table a copy of the President's Address\*\* (Hindi and English versions) to both Houses of Parliament assembled together on the 16<sup>th</sup> February, 2006.

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\*The President delivered the Address in English. Hindi Text of the Address was read by the Vice President.

\*\* Also placed in Library. See No. LT 3670/2006.

Honourable Members,

My greetings to you all. It is with a sense of optimism that we look forward to the New Year. A nation of a billion people rising to its potential is an exciting feeling. The feeling is palpable. It is not merely the statistics of economic growth or the enthusiasm that the world outside has shown for the Indian opportunity that makes these times so exciting. It is the fact that as a nation we have collectively decided to sink the differences of the past; that we have restored to our polity a sense of healing; that we have restored to our society a sense of inclusiveness; and that we have given our economy a sense of purpose.

Our economy is on the move and our people are on the march. After a period of none too exciting growth of around 5.0 % per annum during 1999-2003, the economy has bounced back, recording 7.5% growth in 2004-05 and likely to cross 8.0% in 2005-06. This is probably a precursor to better times to come in the future. Equally importantly, the rate of inflation has remained at modest levels despite a sharp increase in global energy prices. For the common man, for each of our families, the most important economic variable is the price of commodities. So it is a matter of immense satisfaction that even in the face of an unprecedented rise in global oil prices, the Indian economy has performed exceedingly well. My Government's prudent and judicious management of the economy has greatly helped in this. The renewed optimism of the people, whose creative energies are being unleashed, has also played its part. The optimism is visible in the savings rate which is now over 29% and the investment rate which is near 31%.

Confidence in India, in our democracy and in our economy, has never been higher. We have been able to restore the pluralistic ethos that is the essence of India. We have been able to reverse a dangerous trend of intolerance that had begun to eat into the vitals of our nation and restore pluralism, tolerance and compassion. We have been able to replace debates that sought to divide the nation with debates that matter to everyday living of the people, debates on issues of concern to the aam aadmi. It is heartening to see that there is active discussion in government, media and civil society about options for growth, poverty reduction, education, health, employment, basic facilities, infrastructure, empowering people and helping marginalized and weaker sections catch up. Such debates are the life-blood of our democracy. This Government was voted to office to effect this precise change. This has been accomplished. To inspire a new generation of Indians to celebrate the fruits of our freedom struggle, my Government is drawing up impressive plans to celebrate the 150th anniversary of the First War of Indian Independence next year.

My government has been able to create a new architecture of inclusive development built on the foundation of five pillars. These are the National Rural Employment Guarantee Act, a historic piece of legislation to provide income security to the poor and bridge the rural poverty gap; Bharat Nirman, a time-bound plan to create better rural infrastructure; the National Rural Health Mission, to address gaps in basic health; the Jawaharlal Nehru Mission for Urban Renewal, to ensure a dynamic, visionary, inclusive and caring process of urbanization; and, a strengthened Sarva Shiksha Abhiyan with a universal mid-day meal programme.

The National Rural Employment Guarantee Act marks a new beginning in our country towards guaranteeing the right to work. The Act, initially covering 200 less developed districts, holds revolutionary potential to alter the rural economy by providing a safety net to the poor. It will also enable creation of assets. It is for the first time in the world that a major employment programme is being undertaken on such a scale and its progress would be keenly watched by observers of development all over the world. The Union, State and local governments and Panchayati Raj Institutions need to work together for the success of this programme. A major people's programme for water conservation will be linked to this programme.

Bharat Nirman is a time-bound plan for providing basic infrastructure in our rural areas. This flagship programme of my Government will, by the year 2009, seek to: -

- Provide electricity connection to every village in the country;
- Provide an all-weather road to every habitation of over 1000 population and above, or 500 in hilly and tribal areas;
- Provide every habitation a safe source of drinking water;
- Provide every village a telephone connection; - Create 1 crore hectares of additional irrigation capacity;
- Construct 60 lakh houses for the rural poor.

Building on the on-going schemes and large additional investments that are being channelised to this effort, Bharat Nirman will impart a sense of urgency to these goals by making the programme time-bound, transparent and accountable. These integrated investments in rural infrastructure will unlock the growth potential of rural India and Provide Urban Amenities in Rural Areas (PURA).

A National Rural Health Mission has been launched with the intention of providing universal basic health care to our people. The Mission, based on contextual, district level plans based on local priorities, will enable health care delivery in a manner which meets local needs. It will also link action in health care with complementary efforts in areas such as safe drinking water, sanitation and nutrition. In addition to upgradation of all Primary Health Centres, two community health centers in each district will be improved in the first phase to a level as defined through Indian Public Health Standards.

The Jawaharlal Nehru National Urban Renewal Mission is the single largest initiative since independence for the development of our cities. The Mission, covering 63 cities, will enable their comprehensive development in the areas of urban infrastructure and basic services to the urban poor, linking new investment to governance reform. The successful implementation of the Delhi Metro project has generated demands for improved urban transport in many other cities. Plans for a Mumbai Metro and a Bangalore Metro are in the final stages of consideration.

Sarva Shiksha Abhiyan has been strengthened and combined with a programme for universalisation of the Mid-Day Meal programme, which now covers 12 crore children. These initiatives should have a positive impact on the enrolment and attendance at school and on the nutritional status of our children.

. My Government has taken several other steps in the realm of education to widen access and ensure excellence. The liberal funding of scholarships for students hailing from Scheduled Caste and Scheduled Tribe families, families of ex-servicemen and minorities will help improve the educational status of these disadvantaged groups. My Government has sanctioned creation of over 1000 Kasturba Gandhi Balika Vidyalayas in educationally backward blocks of 21 States to provide free residential education to underprivileged girls at the upper primary level.

#### **Honourable Members,**

My Government has given the highest priority to the welfare of our farmers and to the development of our rural economy. There has been a 60% increase in credit to the agricultural sector. Long term measures for the revival of cooperative credit institutions, as recommended by the Vaidyanathan Committee, are being implemented. The Central and State Governments have arrived at a consensus on a revival package for the Short Term Rural Cooperative Credit Structure involving a financial package of about Rs.14,000 crore, and linked to reforms in the cooperative sector. A revival package for the Long Term Cooperative Credit Structure is also being studied. My Government is committed to having a common market for agricultural produce so that farmers get better farmgate prices. This is being done by making warehouse receipts negotiable instruments; amending the Essential Commodities Act; working with states to amend local Agriculture Produce Marketing Acts and expanding the food supply and storage chain.

. With a view to cover the risks involved in agricultural operations, the scope and coverage of the National Agricultural Insurance Scheme has been expanded. My Government is committed to doing all that is possible to protect the livelihoods of small and marginal farmers. Considering the agro-climatic variation and consequent advantage for production of different types of fruits and vegetables in the country, the Government is paying special attention towards the development of horticulture. With this objective, the Government has launched the National Horticulture Mission during 2005-06 with a total outlay of Rs. 2300 crore for the remaining period of the Tenth Five Year Plan.

Better water management holds the key to agricultural growth in the country. Water use efficiency can be greatly improved through the installation of drip, sprinkler and fertigation systems. There is also a need to address the needs of regions which are still

dependent on rainfall. A National Rainfed Area Authority is being established which will look into all the dimensions of managing water resources in these areas. In addition to the one crore hectares being brought under irrigation under Bharat Nirman, my government has also begun work on elements of the interlinking of peninsular rivers, beginning with work on two such links.

My Government is in the process of setting up of a National Biotechnology Regulatory Authority which will be the nodal authority for release, import and post-release monitoring of GM crops and seeds. The quality control of GM seeds is an important issue and it is proposed to strengthen the State Seed Testing Laboratories. To promote bio-fuel, a National Bio-Diesel Programme is proposed to be launched in 2006-07.

## **Honourable Members,**

In order to accelerate economic growth, investment in infrastructure is a necessity. Government is committed to developing world-class infrastructure to make our economy more competitive and to make every citizen feel proud. While the public sector will continue to play an important role, it is necessary to create a policy and regulatory environment that attracts long term private investment in infrastructure. The Committee on Infrastructure under the chairmanship of the Prime Minister, is vigorously pursuing this objective.

My Government has set up a Special Purpose Vehicle called the India Infrastructure Finance Corporation Limited to provide long term debt funds to commercially viable projects in infrastructure sectors. This will ensure that infrastructure projects which may be rendered unviable due to long gestation periods, are not ignored due to lack of long term debt in the financial markets.

The National Highways Development Project is being implemented as a national priority. The work of four-laning of the Golden Quadrilateral is nearing completion. An Action Plan for further development of the national highways network involving a total investment of Rs.1,75,000 crore over the next seven years has been finalised. This includes four laning of an additional 10,000 kilometers of national highways carrying high volume of traffic, and six-laning of the Golden Quadrilateral. A new Model Concession Agreement has been approved by Government to facilitate public-private partnership in roads.

My Government intends to create world class airports in India. A comprehensive Civil Aviation Policy is on the anvil. The process of modernisation and expansion of the Delhi and Mumbai airports through public-private partnership has already commenced. Greenfield International Airports at Bangalore and Hyderabad have been approved. Plans are being made for the modernization and development of Kolkata and Chennai airports. A comprehensive plan for the planned development of other regional airports is under finalisation.

Port infrastructure is critical to economic growth. It is essential to attract massive private investment for upgradation and modernisation of ports. The programme for allocation of berths at major Indian ports for construction through the public-private partnership route is being expanded. A Model Concession Agreement is being formulated for this purpose.

Our Railways have once again become a source of great pride with a perceptible improvement in their performance. Government has decided to build two dedicated high capacity freight corridors – the Eastern Corridor from Ludhiana to Sonnagar and the Western Corridor from Jawaharlal Nehru Port Trust to Dadri - with an investment of over Rs.20,000 crores. Preliminary work will commence on these projects within one year. Keeping in view the increasing demand for movement of cargo through containers, it has been decided that this sector, which was the monopoly of the public sector, will be thrown open to competition and the private sector would be eligible for running container trains.

My Government places special emphasis on improving the power situation in the country. The Dabhol Power Project is being revived and is expected to start generating power this year. The Ministry of Power is facilitating the setting up of five Ultra Mega Power Projects with a capacity of 4000 MW each through tariff based competitive bidding, three plants at coastal sites based on imported coal and the remaining two at pit head sites. More such power projects will be taken up to bridge the demand-supply gap.

The telecommunications and information technology revolution is one of the success stories in our reform programme. Owing to the effect of competition, telecom tariffs have continuously come down, and today we have among the lowest tariffs in the world. A milestone in this has been the announcement of the One India Plan by the public sector telecom service providers BSNL and MTNL recently. Keeping in view the problem of inadequate availability of spectrum for commercial use, Government proposes to put in place a mechanism for vacation of spectrum by existing users in Government to make it available for commercial use in a time bound manner. My Government will ensure that manufacturing of electronic and telecom hardware in the country is given a big thrust. New initiatives are being taken to bring semi-conductor manufacturing to India and build a manufacturing hub.

The Special Economic Zones Act was notified in June, 2005. My government will ensure creation of required infrastructure and an appropriate framework to facilitate rapid development of export oriented manufacturing and services in the country. Drawing on the ideas put forward by a group of dedicated Non-Resident Indians, Government has constituted a Task Force on Petroleum, Chemicals and Petrochemicals Investment Regions. This Task Force will evolve a policy framework for development of sector specific investment regions involving world class developers which can attract investment upto \$10 billion in each location.

To attain rapid economic growth, it is essential that we step up investment in various sectors of the economy. My Government intends launching a Ten Year National Manufacturing Initiative to make the manufacturing sector the prime driving force for employment and economic growth. Emphasis will be placed on labour-intensive sectors such as textiles & garments, leather & leather goods, food processing, IT hardware & electronics and auto components. Focused attention will be given to the growth of our dynamic services sector including software, outsourcing, tourism, education and healthcare so as to create large employment opportunities. We will also create a policy framework that attracts Foreign Direct Investment keeping in view our overall national interest. My government has taken appropriate decisions to rationalize the FDI policy with a view to removing unnecessary hurdles and outdated restrictions.

## **Honourable Members,**

To ensure that every citizen of our Republic is empowered to know how Government programmes are being implemented, we brought forward a path-breaking legislation to increase transparency in the functioning of Government at all levels. The Right to Information Act, 2005, is a historic piece of legislation. By ensuring greater transparency in the functioning of Government, it will help reduce corruption.

Reforming the instruments and processes of governance is an important element of my Government's reform agenda. We have taken several steps to begin this process from the very top. A new system of Performance Appraisal Reports and appraisal by an Eminent Persons Group has been put in place of the existing system of Annual Confidential Reports. My Government is introducing mid-career training systems, with promotions based on a new criteria and an accelerated empanelment procedure for senior civil servants. A voluntary retirement non-promotion system on the basis of mid-career screening will be put in place for the All India Services to ensure that the best and the brightest are rewarded for their performance and commitment to good governance. My Government has instituted the Prime Minister's Awards for Excellence in Public Administration to encourage initiative, efficiency, honesty and commitment to good governance among civil servants. Steps have been initiated for setting up the Sixth Pay Commission for government employees.

My Government has set up an Administrative Reforms Commission to undertake a comprehensive review of governmental machinery at all levels and to end bureaucratism, thus fulfilling a commitment of the National Common Minimum Programme. The National Disaster Management Authority has been operationalised and is expected to play a fruitful role in coordinating and planning disaster mitigation and management efforts.

There is a need to pursue reform of our judicial system. There is a need to bring down pendency of cases in courts at all levels and reducing the time taken for deciding cases. There is also a pressing need to make justice accessible in an easy and comprehensible manner to all citizens. My Government is working on proposals to address these issues through more courts, the use of technology and computerisation, improved procedures, and introduction of local courts.

Our electoral system has had an impeccable record and is the pride of our nation. However, there is always scope for improvement, particularly in decriminalizing the electoral process, reducing frivolous candidates and providing more teeth to electoral officers. My Government is working on proposals in all these areas.

A National e-Governance Plan, with 25 Mission Mode Projects, has been prepared. A National Institute of Smart Governance is being set up and a State-wide Area Network will be created in all states by 2007. A scheme for computerizing 13,348 District and Subordinate Courts has been separately launched under the overall directions of a Committee chaired by the Chief Justice of India. To make Indian firms globally competitive and enable easy compliance with Company law requirements, a pathbreaking e-governance programme known as MCA-21 is being launched this year.

My Government has recently amended the Constitution to facilitate reservations in private unaided educational institutions for Scheduled Castes, Scheduled Tribes and other socially and educationally backward classes of citizens. Parliament is also considering several bills brought forward by my Government to socially and economically empower Scheduled Castes, Scheduled Tribes, Other Backward Classes and religious minorities. My Government has introduced a landmark legislation for providing rights to tribal people on the land that has been historically under their possession. The backlog of unfilled reserved posts in Government is being reduced speedily under a crash programme. To prepare Scheduled Caste and Scheduled Tribe candidates for selection to academic positions and for doctoral studies, my Government has launched the Rajiv Gandhi National Fellowship Scheme under which 2000 fellowships will be funded annually.

The National Rural Employment Guarantee Act provides for improvement of private farm lands of Scheduled Tribes and Scheduled Castes. The Ministry of Tribal Affairs has initiated a special programme to provide assistance to states for taking up minor irrigation schemes for land belonging to Scheduled Tribes.

My Government has created a new Ministry of Minority Affairs to focus concentrated attention on the problems of all minorities, including religious minorities. A National Commission for Minority Educational Institutions has been established. A Bill for providing Constitutional status to the Minorities Commission has been introduced in Parliament. A Committee under Justice Rajinder Sachar is studying in-depth the condition of minorities and is expected to recommend steps for their economic and social development and empowerment.

A New 15-point Programme for Minorities is under preparation. This programme will aim at enhancing the social development of minorities, especially the poor, modernize Madrasa education, and provide financial support for entrepreneurship development and self-employment. My Government intends to propose statutory measures to prevent and deal effectively with communal violence and communal offences and to enable rehabilitation of victims of communal riots.

## **Honourable Members,**

My Government has taken a number of steps to ensure that the National Common Minimum Programme commitments regarding full equality to women is honoured. Amendments have been carried out in the Hindu Succession Act, 1956 to give equal inheritance rights to women in property. Government is also contemplating amendments to the Guardians and Wards Act 1890, the Hindu Adoption and Maintenance Act 1956 and the Hindu Minority and Guardianship Act 1956 to remove discriminatory provisions contained in them. A Bill for the compulsory registration of marriages is also under active consideration. My Government will make every effort to see that 33% reservation for women in Parliament and state legislatures is made possible in the near future.

A new Ministry of Women and Child Development has been created to have focused attention on the problems of women and



children. A National Plan of Action for Children has been approved and a National Commission for the Protection of Child Rights is being established. Our goal is to ensure that all children have a secure, healthy and happy childhood with access to education and health care. The Rajiv Gandhi National Creche Scheme for children of working mothers has been approved recently. This envisages establishment of nearly 30,000 crèches for children. The Integrated Child Development Services Scheme is being universalized with nearly 1.88 lakh additional anganwadis being sanctioned. With a comprehensive range of pre-natal and post-natal care services, immunization, nutrition and early childhood education services, the universalisation of this programme will be a great step forward in reducing infant and maternal mortality. We also need to take immediate steps to eliminate female foeticide and improve the juvenile sex ratio.

### **Honourable Members,**

You have passed a comprehensive Bill to protect women from domestic violence. A Bill on protection against sexual harassment is shortly to be finalized. Suitable amendments to the Sati (Prevention) Act will also be shortly made. The Immoral Traffic (Prevention) Act is proposed to be amended to strengthen provisions against trafficking in women and children.

The Criminal Procedure Code has been amended to ensure greater protection to women. These include the prohibition of arrest of women after sunset and before sunrise except in unavoidable circumstances, a provision to ensure immediate medical examination of rape victims within 24 hours, DNA profiling, and investigation by a judicial or Metropolitan Magistrate of incidents of rape in custody.

Honourable Members are aware of my views on the importance of investing in the knowledge economy. Since ancient times, our society has greatly valued knowledge. Our democracy has enabled us to spread the benefits of knowledge more widely. Today we live in a knowledge era in which every social and economic activity is driven by knowledge.

My Government had constituted the National Knowledge Commission to seek expert advice on how we can empower our people with skills and capabilities relevant to the knowledge era. The Commission is also expected to examine how we can modernize our educational system in keeping with the emerging requirements of the future. The Commission's report is shortly awaited. My Government has in the meanwhile, decided to create new centers of excellence in basic sciences, on the lines of the Indian Institute of Science, in Kolkata, Pune and in Punjab. My Government is investing substantially in the Science and Technology field to promote domestic research and development, both public and private, so that India can emerge as a significant player in the knowledge era. We will work with partners across the world to promote the development and utilization of knowledge through collaborative efforts.

Last year Cartosat-1, the high resolution cartographic mapping satellite with along track stereo imaging capability, the first of its kind in the world, was launched, along with HAMSAT, re-affirming India's excellence in remote sensing and amateur radio operation. The PSLV C6 was itself launched from the recently established state-of-the-art Second Launch Pad at Sriharikota. INSAT-4A, launched in December, will revolutionise the broadcasting infrastructure in our country, including DTH services. Our space scientists and telecommunications engineers have played a major role empowering our teachers, media personnel and creative professionals with the requisite technological means. This synergy has enabled India to emerge as a major knowledge, media and entertainment power. My Government will further strengthen our capabilities in this area of cultural and scientific development. The entertainment industry is getting linked to information technology. To explore ways and means of expanding our opportunities in this area, a Task Force on Information, Communication and Entertainment has recently been constituted. Given adequate attention, I am confident that our entertainment sector has the potential to be world class and compete with the best. My Government will take steps to strengthen the Indian entertainment industry so that it can achieve global scale and realize its potential.

Our space programme has been beneficial beyond our borders. During the current financial year, we have begun work on creating a pan-African e-Network Project that will be bridging the digital divide in that continent. Indian expertise in IT, education and healthcare will eventually be available to 53 countries in Africa.

My Government is deeply committed to the protection and preservation of our environment, including all species of flora and fauna. A strategic programme to increase forest cover is proposed to be undertaken. The Tiger is our national animal and an endangered species. A Tiger Task Force was established last year on whose suggestions action is being taken. My Government proposes to create a National Tiger Conservation Authority for more effective management of our Tiger Reserves. Steps are also being taken to reduce poaching of these magnificent animals. For the first time, a draft National Environment Policy has been formulated to harmonize environmental, social and economic imperatives. **Honourable Members,**

My Government has taken a number of measures for the welfare of the people in the North East. Almost Rs 10,000 crores of investment is being made at Bongaigaon, Dibrugarh and in Tripura in thermal power projects using local coal and gas. Particular emphasis will be given to the border areas in this region, specially Arunachal Pradesh, for infrastructure and road development. The accelerated North-East Road Development project is under consideration, which will provide connectivity to state capitals and district headquarters in the North-East, and include upgradation of such other stretches of national and state highways which are critical for the economic development of the region.

My Government is actively engaged in reviewing and streamlining of procedures under the Non-lapsable Central Pool of Resources for the North East. A new industrial policy for the North East will be announced shortly. A North East health package is also being developed and will be put in place at the earliest. In order to address problems faced by students and working women from the North East while living in the national capital, a 500-bed girls' hostel in the Delhi University and a 500-bed hostel for working women have been approved. My Government will set up a National Institute of Technology in Tripura, a Central Institute of Technology at Kokrajhar, and an Indian Institute of Management in the North-East. The proposed North-Eastern Water Resources Authority is expected to ensure effective utilization of hydro-power generation capacity in the region, especially in Arunachal Pradesh. The North-Eastern Council has been revitalized and work on fencing along the India- Bangladesh border is being speeded up. **Honourable**

## **Members,**

I am happy to inform you that the Rs. 24,000 crore package for Jammu and Kashmir has been successfully launched and substantial progress has been made in several sectors. The response of the Central and State Government agencies and civil society at large to the unfortunate earthquake in the state was commendable. The Government's courageous decision to disburse financial assistance for rehabilitation directly to the affected persons has been appreciated by the people. According to the latest reports, most of the restoration work is nearly complete. Substantial help was received from other state governments, public sector organizations and NGOs from all over the country. The Srinagar- Muzaffarabad bus service is operating normally and my Government's initiative in this regard has been universally acclaimed, most importantly by the people of Jammu & Kashmir. I pay tribute to the commitment of the people of the state to peace which has given an impetus to the peace process and normalization of the situation at the ground level.

## **Honourable Members,**

My Government has remained deeply committed to national security and pursued a two-pronged approach of reaching out to disaffected sections of our society while dealing firmly with terrorists and other anti-national forces. There has been an improvement in the law and order situation across the country, especially in Jammu & Kashmir and the North-eastern States. The number of incidents of civilians killed and persons kidnapped in both Jammu and Kashmir and the North-East have registered a decline in the last year. Government is engaged in talks, including at the highest level, with a large number of political groups in both regions. These talks have progressed in a constructive manner and have contributed to relieving the sense of alienation among some of our people.

My Government has also expressed its willingness to talk to all political groups to address their grievances, real or imaginary. At the same time, my Government is steadfast in its resolve to combat terrorism, militancy and extremism and to uphold the rule of law. We acted swiftly to deal with terrorist attacks in various parts of the country, including in our national capital and in Bangalore, at the temple of learning, the Indian Institute of Science. I was deeply distressed and pained by the senseless killing of so many innocent citizens, including a distinguished scientist. Government will act without fear or favour in bringing the guilty to book and will wage a relentless war against terrorism. We will work with all those committed to this battle from across the world. **Honourable Members,**

The Nation is proud of our Armed Forces. My Government has paid renewed attention to the requirements of our national defence and the welfare of ex-servicemen. A Department of ex-Servicemen's Welfare has been created to focus on their issues and assist the families of our brave jawans. We have approved an improved pension scheme for our ex-servicemen who retired before 1996, particularly our jawans which will benefit over a million ex-servicemen. By pursuing defence modernization in a systematic manner, Government has strengthened our military capability. This approach, taking account of our strategic environment and drawing on our technological prowess will guide us in the coming years.

## **Honourable Members,**

The foreign policy of my Government is, as has always been the case, guided by enlightened national interest. It has been oriented to enlarge our policy choice. My Government has made vigorous efforts to build friendly and cooperative ties with our neighbours and to strengthen SAARC. India regards SAARC as an important forum for regional cooperation and we look forward to Afghanistan joining SAARC as its eighth member. The entry into force of SAFTA on January 1, 2006 was a landmark. India will have the privilege of hosting the next SAARC Summit and in that context the several initiatives we have proposed shall be pursued.

My Government has taken several steps to improve our relations with all our neighbours. The landmark visit of the Prime Minister to Afghanistan in August 2005 has reinforced our commitment to help in the reconstruction of Afghanistan. There has also been good progress in increased people to people contacts and bilateral trade with all our neighbours, including Pakistan. The spontaneous outpouring of sympathy and assistance from the people of India for the victims of the earthquake in Pakistan underlines the goodwill among the peoples of the two countries. While we remain concerned over infiltration and cross-border terrorism and expect Pakistan to fulfill its commitments in this regard, we reiterate our commitment to the composite dialogue process with Pakistan. The opening of new bus links between Amritsar and Lahore and Amritsar and Nankana Sahib and the opening up of the Khokrapar- Munabao rail link are further steps in promoting people to people contacts between our two countries.

We attach high importance to strengthening our relations with our global economic partners. Our relations with the United States underwent a substantial transformation in 2005 and we carry forward our strategic partnership based on the July 18 Joint Statement of the Prime Minister and the US President. Government expects that the country may gain access to international cooperation for enlargement of our civilian nuclear energy sector based on the reciprocal commitments of India and the US in the Joint Statement. Parliament will be appraised of the on-going discussions on this subject in this session. The India-US relationship also encompasses many more important issues. Major initiatives are underway to encourage the expansion of investment, trade and technology transfers, accelerate cooperation in agriculture, health and human resource development, in cooperation for energy security, a framework for defence cooperation and expanding cooperation on key global challenges. 53. My Government has continued to pursue the objective of a comprehensive re-engagement with Russia. Our time-tested friendship with Russia has led to the growth and development of extensive ties of cooperation in the fields of oil and gas, trade and investment, nuclear energy, space, high technology and defence. My state visit to Russia, the annual Summit level meeting between the Prime Minister and the Russian President and a large number of cabinet level exchanges will give impetus to this. Government hopes to further strengthen our relationship, specially in areas of strategic importance in the days to come.

We are working to build our relationship with China on the basis of our strategic and cooperative partnership, forged during the visit of Chinese Premier Wen Jiabao in April 2005. A positive start has been made in the second phase of discussions between the Special Representatives on the Boundary Question based on the Agreement on the Political Parameters and Guiding Principles signed in April 2005, and we are looking forward to this process gaining further momentum.

Our ties with the European Union and its 25 member states have expanded considerably. India maintains strategic partnerships with France, Germany and the UK, with regular interactions at the highest level. Prime Minister Blair had a fruitful visit last year which strengthened the relationship between our two countries. The forthcoming visit of the President of France is expected to give a new thrust to our relationship with this important and influential friend.<sup>56</sup> Our "Look East" policy was further strengthened with India's participation in the historic East Asia Summit held in Kuala Lumpur which has the potential of defining the future regional architecture. The Prime Minister of Singapore H.E. Mr. Lee Hsien Loong paid a State Visit to India in June 2005 during which Singapore and India signed a Comprehensive Economic Cooperation Agreement which has become a benchmark. Our interaction with this region is active; we hosted the President of Indonesia and the Prime Minister of Thailand. Recently, I myself paid State Visits to Singapore, Philippines and the Republic of Korea which have strengthened our relationship with them.

Our relations with Japan have been reinforced by high level interaction and dialogue. The global partnership established between India and Japan acquired a fresh orientation during the visit in April 2005 of the Prime Minister of Japan and we look forward to a close and cooperative engagement on bilateral and global issues.

My Government is paying close attention to our ties with the countries of the Gulf region that has become home to over 4 million Indians and a major source of supplies of our oil and gas. We were privileged to receive His Majesty the King of Saudi Arabia, the Custodian of the Two Holy Mosques, as the Chief Guest at the Republic Day 2006. This visit has opened a new vista and enlarged our traditional ties. The Emir of Qatar visited India in April 2005 followed by the First Lady recently. We attach very high importance to West Asian issues and remain supportive of the efforts of the international community in finding a just and durable solution to the problems faced by the Palestinian people so that they may achieve a state of their own. At the same time we attach high importance to our friendly relations with Israel which we hope to strengthen and diversify.

This last year saw a marked change in the global perception of India as an influential actor on the international stage. This was a recognition of our emergence as a strong economy; of our ability to adjust to change – economic and social; and, of our capability to shoulder responsibilities – global and regional. Overseas Indians have contributed in a major way to this changed perception and my Government has recognized their contribution by launching the Overseas Citizenship Scheme for Persons of Indian Origin. We are also planning to grant voting rights to Non-Resident Indians. By hosting the 2010 Commonwealth Games and bidding for the 2012 Asian Games, we hope to enhance our global stature further.

#### **Honourable Members,**

In conclusion, I return to the theme I began with. Our country is destined to regain its due place in the comity of nations in the 21st century. However, there is much we must do at home to realize this potential and fulfill the aspirations of our people. My Government is committed to doing so through the National Common Minimum Programme.

Today the economy is poised for better performance. My Government believes that our people will respond handsomely if we pursue policies that invest in their capabilities and liberate their creativity and enterprise. This requires good governance. Good governance today implies more efficient use of public finances in sectors in which Government must invest, and less Government intervention in areas where individual initiative can achieve more. No country has prospered by printing money or incurring excessive debt. Only through hard work, higher productivity and prudent management of resources - human, natural and financial - can prosperity be achieved. My Government is committed to the judicious management of public finances, to the efficient management of public utilities and enterprises and to the pursuit of reform, in all its dimensions. At the same time, there is a need for maintaining communal harmony and promoting an inclusive society in which every section of society feels secure, empowered and confident about their future. My Government is committed towards creating such an environment so that the latent potential of our people can blossom and create a new India of our dreams.

#### **Honourable Members,**

This is an important session of Parliament. The people of our country, who have sent you here as their representatives, sincerely hope that you will make the best use of the time available to represent their interests. I urge you to devote your energies to a mature consideration of the business of both Houses of Parliament and act in the best interests of the country and our citizens. Time is precious, please do not waste it. You have my best wishes in all your noble endeavours in the service of our people. Jai Hind!

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