

## **It is also low on energy**

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The budget needs to be seen in the context of the fact that against a 10th Plan target of adding over 41,000 MW of electricity generation capacity a mere 23,000 MW is likely to be added. The insipid interest of the private sector in electricity generation has not been addressed. The Centre seems to be relying primarily on the Ultra Mega Power Projects to add capacities for the 11th 5-yr Plan period. The increased outlays on APDRP (distribution reforms) and RGGVY (Rural electrification) would have been welcome if only it was clear how these programmes are being refined to reflect learnings from previous years. The Economic Survey estimates the extent of subsidies on electricity supply to agriculture to continue to be a staggering Rs 27,000 crore in 2007-08 with an uncovered subsidy of Rs 18, 270 crore! While Chidambaram spoke of computerising the PDS system, he continues to ignore recommendations on using technology (smart cards) to have targeted delivery of services and subsidies on energy. The reduction in ad valorem excise duty on petrol and diesel is welcome, but it would have had much greater value if a longer term direction had been provided on petroleum product pricing. The unequal treatment to private players on product pricing remains unaddressed. The excise duty exemption to bio-diesel is welcome although, in terms of scale, visible impacts could only be seen a few years from now.