

# union Budget

2019-20



# Key highlights of Union Budget 2019-20

**Fastest growing** major economy in the world - 11th largest in 2013-14 to 6th largest in 2019-20

**8% annual GDP growth** aimed until 2024-25 for US\$5\* trn economy, to become world's 3rd largest

In 2019-20, Indian is expected to record **growth of 7%**; Indian Economy grew by **6.8% in 2018-19**

Focus on **Virtuous Cycle** of savings, investment and exports for sustainable growth in economy

**78% increase in tax** collection over 2013-14 to 2018-19 to US\$166.5\* bn; expansion of tax base

# Key highlights of Union Budget 2019-20

Proposed further recapitalisation of public sector banks (PSBs) with infusion of over **US\$10.2\* bn**

GDP growth in the last five fiscals topped **7.5%**; In 2018-19, India reported an **8% rise** in exports

Recovery of **US\$58.4\* bn** in last four years due to Insolvency and Bankruptcy Code, among others

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Provision of **water** for all household by 2024; holistic **infrastructure** development in connectivity

Focus on empowering India's space programmes; India has undertaken **+110 space missions**

# Policies for inclusive economic growth

Pradhan Mantri  
Karam Yogi  
Maandhan -  
Pension benefits  
for retail traders,  
small shopkeepers

Scheme of  
faceless electronic  
tax assessment -  
Aadhaar and PAN  
to become  
interchangeable

Reform, Perform,  
Transform  
agenda: GST, IBC,  
RERA, among  
other policies  
transforming lives

Plan to strengthen  
MSMEs through  
fiscal incentives,  
liberated labor laws  
and skill  
development

# Strong infrastructure for strong economy

## Bharatmala Pariyojana

Phase 2 to be launched;  
State road networks will be developed

World's **3rd largest** domestic aviation market; 14.1% rise in passenger traffic in 5 years

**Jal Marg Vikas** Project and **Sagarmala** initiative improving logistics with well-connected waterways

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Increasing PPP in railways infrastructure development;  
**657 km** metro rail now operational

PMAY-U: Houses sanctioned: **8.1 mn**; Construction started: **4.7 mn**; Completed: **2.6 mn**

Credit Guarantee Enhancement Corp to be set up in 2019-20 to boost infra financing

# Keen emphasis on HRD development

**National Research Foundation** to fund, coordinate and promote R&D

Study in India to bring foreign students to higher educational institutions

Measures to prepare youth in **AI, IoT, Big Data, 3D Printing, Virtual Reality**

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**+US\$58.4\*** m provided for 'World Class Institutions' for FY 2019-20

National Sports Education Board to be developed under **Khelo India**

Focus on R&D for sustainable **urban infrastructure, energy, water usage**

# Push to raise investment in industries

Changes in customs duties to promote investment under **Make in India**

Interest subvention scheme for MSMEs: **US\$51.1\*** m allocated for 2019-20

Social stock exchange for listing social enterprises, voluntary organisations

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**E-verification** to resolve tax issues relating to fundraising from investors

**FAME Phase-2** commenced; Customs duty relief on some e-vehicle parts

Income tax deduction of interest on loans for **e-vehicle purchase**

# FDI regulations eased to drive investment

**100% foreign direct investment (FDI)** allowed for Insurance intermediaries

Local sourcing regulation to be eased for FDI in **single brand retail outlets**

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**Statutory limit** for FPI investment in a company increased to sectoral limit

India attracted **US\$64.4\* bn** worth of cumulative FDI during fiscal 2018-19





# Tax proposals to maximise growth

Threshold for applicability of lower corporate tax of 25% raised from **US\$36.5\* m** to **US\$58.4\* m**

DS of 2% on cash withdrawal crossing **US\$146,000\*** /year from bank to boost less cash economy

**No charges/MDR on set digital payments.** These modes must be provided by large businesses

Effective tax rate for individuals having taxable income above **US\$292,000\*** has been increased

**Sabka Vishwas** Legacy Dispute Resolution Scheme for quick closure of service tax, excise cases

# Policies to support rural development

Boost to agro-rural industries through cluster based **SFURTI scheme**

Special focus on development of **bamboo, honey and khadi clusters**

100 new clusters to be set up to enable **50,000** artisans during 2019-20

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100 Business Incubators to enable **75,000** entrepreneurs under ASPIRE

Pradhan Mantri Matsya Sampada Yojana to strengthen **fisheries sector**

**1,592** critical and over exploited blocks identified under Jal Shakti Abhiyan

# Focus for the coming decade

Physical and social infrastructure

Digital India

Pollution free India

Make in India

Water management and clean rivers

Blue economy

Space programmes

Self-sufficiency and export of food grains

Healthy society

Team India with Jan Bhagidari



# Thank You



Ministry Of External Affairs  
Government Of India



ECONOMIC  
DIPLOMACY  
& STATES  
DIVISION