



सत्यमेव जयते

Economic Diplomacy Division
Ministry of External Affairs

UNION Budget

2023-24



Budget 2023: A Vision for Amrit Kaal

Economic growth, job creation and cutting fiscal deficit are the focus areas of the Budget as outlined by the Union finance minister **Nirmala Sitharaman** in Parliament on February 1, 2023

Building a **technology-driven** and **knowledge-based economy** with strong public finances and a **robust financial sector**.

Slew of measures to enhance the **ease of doing business**.

National data governance policy to unleash innovation and research by startups.



Key Highlights of Budget 2023

Economy to grow at **7%** in the current year

Capital investment outlay increased by **33%** to **INR 10 lakh crore (~USD 136 billion)**, **3.3%** of GDP

Fiscal deficit estimated to be **5.9%** of GDP in 2023-24. It will reach **4.5%** by 2025-26

Real GDP to grow at **7%** in FY 2022-23

Exports to grow at **12.5%** in FY 2023

Outlay for PM Awas Yojana enhanced by **66%** to over **INR 79,000 crore (~USD 10.6 billion)**

Highest ever capital outlay of **INR 2.40 lakh crore (~USD 32.8 billion)** provided for railways



Seven Priorities of Budget 2023

Budget 2023 is based on 7 priorities or 'Saptarishis'

1. **Inclusive development**
2. **Reaching the last mile**
3. **Infrastructure and investment**
4. **Unleashing the potential**
5. **Green Growth**
6. **Youth Power**
7. **Financial Sector**

SAPTARISHI 7 PRIORITIES OF BUDGET 2023-2024



Priority 1:

Inclusive Development

The Government's philosophy of **Sabka Saath Sabka Vikas** with a special focus on women, youth, scheduled castes, and scheduled tribes.

Agriculture and Cooperation

Building a **digital public infrastructure** for agriculture as open source, open standard, and interoperable public good, to drive inclusive and farmer-focused solutions, including crop planning and health information, better access to farm inputs, credit, insurance, crop estimation, market intelligence, and agri-tech industry and startup growth.

Agriculture Accelerator Fund

Setting up an **Agriculture Accelerator Fund** to support young entrepreneurs in rural areas and foster agri-startups, promoting innovative and affordable solutions for farmers' challenges, and incorporating modern technologies to enhance agricultural practices, boost productivity, and increase profitability

Health, Education, & Skilling

Launching a program to **advance** research and innovation in pharmaceuticals through centers of excellence.

Priority 2:

Reaching the Last Mile

Aspirational Blocks Programme

It will cover **500 blocks** launched for saturation of essential government services across multiple domains such as health, nutrition, education, agriculture, water resources, financial inclusion, skill development, and basic infrastructure.

PM Awas Yojana

The outlay for PM Awas Yojana is being enhanced by **66% to over INR 79,000 crore (~USD 10.6 billion)**

Pradhan Mantri PVTG Development Mission

INR 15,000 crore (~USD 2 billion) for implementation of the mission over the next three years under the Development Action Plan for the Scheduled Tribes.

Establish **New Infrastructure Finance Secretariat** to enhance opportunities for private investment in infrastructure.

Recruitment of **38,800 teachers** and support staff for the **740 Eklavya Model Residential Schools**, serving **3.5 lakh (0.35 million)** tribal students.

Priority 3:

Infrastructure & Investment

Capital Investment Outlay

Capital investment outlay has increased steeply by **33% to INR 10 lakh crore (~USD 136 billion)** or **3.3%** of the GDP

Railway Sector

A capital outlay of **INR 2.40 lakh crore (~ USD 32.8 billion)** has been provided for the Railways - the highest ever

Improved Connectivity

Fifty additional airports, heliports, water aerodromes and advance landing grounds will be revived for improving regional air connectivity

Improved first & last mile connectivity

About **100 crucial transport projects** for last-mile and first-mile connectivity for various sectors (ports, coal, steel, fertilizer, and food grains) have been prioritized for investment of **INR 75,000 crore (~USD 10.2 billion)**, with **INR 15,000 crore (~USD 2 billion)** from private sources

Urban Infrastructure Development Fund

The UIDF will fund urban infrastructure in Tier 2 and Tier 3 cities. The government will allocate **INR 10,000 crore (~USD 1.35 billion)** annually for public agencies for this.

Priority 4:

Unleashing the Potential

Ease of Doing Business

Reducing over **39,000 compliances** and decriminalizing over **3,400** legal provisions to improve ease of doing business

Bringing out a **National Data Governance Policy** to facilitate innovation and research by startups and academia through access to anonymized data

Making AI in India

Establishing **3 centers of excellence** in top educational institutions for AI

Setting up **100 labs** for 5G application development in engineering institutions, unlocking new opportunities, business models, and employment potential.

Simplified KYC

The KYC process will be **simplified** and **more personalized** instead of a "one size fits all" approach.

A new solution for updating the identity and address of citizens will be established using **DigiLocker** and **Aadhaar** framework.

Tourism

Promotion of tourism will be taken up on **mission mode** with active participation of states, convergence of government programmes, and public-private-partnerships

Priority 5:

Green Growth

Transition to a Green Economy

Moving towards "**panchamrit**" and **net-zero carbon emissions by 2070** to drive green industrial and economic transition

Allocating **INR 35,000 crore (~USD 4.7 billion)** for priority capital investments in energy transition and net-zero objectives, and energy security

10,000 bio-input resource centres to be set up, creating a national-level distributed micro-fertiliser and pesticide manufacturing network

Green Credit Programme

Incentivizes environmentally sustainable and responsive actions by companies, individuals and local bodies

Green Mobility

Supporting Battery Energy Storage Systems with **4,000 MWH capacity** and Viability Gap Funding to promote sustainable development

Extended customs duty exemption for the import of capital goods and machinery needed to produce lithium-ion cells for EVs. The concessional duty on lithium-ion cells for batteries will continue for another year.

Green Hydrogen Mission

The National Green Hydrogen Mission, launched with a budget of **INR 19,700 crore (~USD 2.64 billion)**, will aid in the transition to low-carbon intensity, reduce dependence on fossil fuels, and attain technology and market leadership in the sunrise sector

Priority 6:

Youth Power

Skill India

Launching a **unified Skill India Digital Platform** to enable demand-based formal skilling, connect with employers including MSMEs, and provide access to entrepreneurship schemes.

iGOT Karmayogi, an integrated online training platform, launched to provide continuous learning opportunities for government employees to upgrade their skills and facilitate people-centric approach

Establishing **30 Skill India International Centers** across different states.

National Education Policy

Formulating the National Education Policy with a **focus on skilling** and adopting economic policies to drive job creation at scale and support business opportunities

Upgrading the **Pradhan Mantri Kaushal Vikas Yojana 4.0** to cover new-age courses for Industry 4.0 such as coding, AI, robotics, mechatronics, IoT, 3D printing, drones, and soft skills

National Apprenticeship Promotion Scheme

Stipend support to **47 lakh (4.7 million)** youth in three years, Direct Benefit Transfer under a the scheme will be rolled out.

Priority 7:

Financial Sector

Credit Guarantee Scheme for MSMEs

The revamped Credit Guarantee for MSMEs scheme will take effect from 1st April 2023 through infusion of **INR 9,000 crore (~USD 1.21 billion)** in the corpus.

National Financial Information Registry

This will be set up to facilitate efficient flow of credit, promote financial inclusion, and foster financial stability

Central Processing Centre

This will aid in providing a faster response to companies through centralized handling of various forms filed with field offices under the Companies Act

Fiscal Management

The entire **fifty-year loan** to states has to be spent on capital expenditure within 2023-24

Initiatives to promote business activities in **GIFT IFSC**

Allocating funds to **scrap** old Central Govt. vehicles and supporting state governments to **replace** old vehicles and ambulances.

The Revised Estimate of the total receipts other than borrowings is **INR 24.3 lakh crore (~USD 328 billion)**, of which the net tax receipts are **INR 20.9 lakh crore (~USD 282 billion)**.

The Revised Estimate of the total expenditure is **INR 41.9 lakh crore (~USD 564 billion)**, of which capital expenditure is about **INR 7.3 lakh crore (~ USD 99 billion)**.

Benefits to MSMEs and Start-ups

The budget's indirect tax proposals aim to **simplify the tax structure** and reduce compliance burden through fewer tax rates and improved tax administration.

Custom Duty

The number of basic customs duty rates for goods, excluding textiles and agriculture has been **reduced from 21 to 13**.

Excise duty exemption on compressed biogas contained in GST-paid items

Aiding MSMEs and Startups

Supporting MSMEs by allowing deduction for payments made to them only when payment is received, promoting timely receipt of payments.

Extend date of incorporation for startups to receive income tax benefits to **March 31st, 2024**.

Increase carry forward of losses for start-ups on change of shareholding from 7 years to **10 years**.

Financial Aid Allocation for 2023-24

The Finance Minister allocated **INR 5,848 crore (~USD 70.18 million)** designated for development assistance to countries in India's neighborhood, Africa, and Latin America.

Country/Region	Amount Allocated
Bhutan	USD 28.9 million
Nepal	USD 6.6 million
Mauritius	USD 5.53 million
Afghanistan (Includes Chabahar Port)	USD 3.6 million
Myanmar	USD 4.8 million
African Countries	USD 3.0 million
Bangladesh	USD 2.4 million

Budget Estimates for 2023-24

The total receipts other than borrowings is estimated at **INR 27.2 lakh crore (~USD 368 billion)** and the total expenditure is estimated at **INR 45 lakh crore (~USD 607 billion)**.

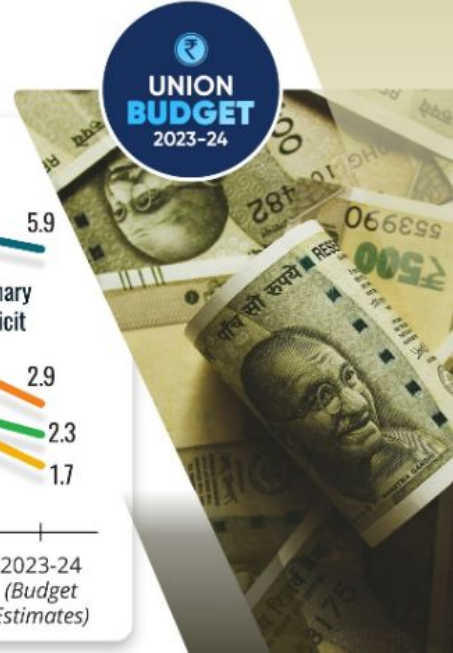
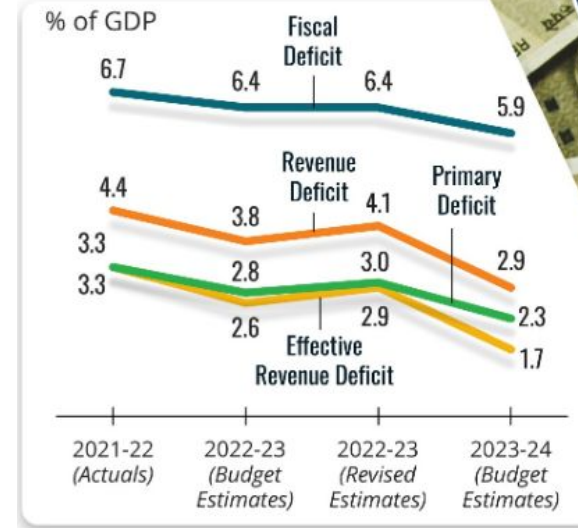
The net tax receipts are estimated at **INR 23.3 lakh crore (~USD 312 billion)**.

The fiscal deficit is estimated to be **5.9% of GDP**.

To finance the fiscal deficit in 2023-24, the net market borrowings from dated securities are estimated at **INR 11.8 lakh crore (~USD 158 billion)**.

The gross market borrowings are estimated at **INR 15.4 lakh crore (~USD 207 billion)**

Trends in Deficit



Thank You



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