

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

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

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**

+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

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**

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

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