



Ministry Of External Affairs
Government Of India



ECONOMIC
DIPLOMACY
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DIVISION

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



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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



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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



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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



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