

Dow Jones
S&P
NASDAQ FTSE
NIKKEI IBEX
FTSE ASX
DAX ASX
CAC SHANGHAI
SENSEX
MOEX3
TSX
+0.40 %
-0.73 %
-0.49 %
+0.43 %
+0.57 %
+0.55 %
-1.22 %
-0.35 %
+0.52 %
-0.37 %



Ministry of External Affairs
Government Of India



ECONOMIC
DIPLOMACY
DIVISION

\$ 1.00 ₹ 70.6

-52.36

+28.63%

UNION BUDGET

2021-22



FINANCIAL CRISIS
ECONOMIC
GROWTH
STOCK MARKET
INDIA
GLOBAL RECESSION
MARKET IN INDIA
NIFTY

FINANCIAL CRISIS
ECONOMIC
GROWTH
STOCK MARKET
INDIA
GLOBAL RECESSION
MARKET IN INDIA
NIFTY

+18.63%

+20.63%

+28.63%

+32.69%

-20.45%

+5.63%

+14.35

-25.35



Overview of Union Budget 2021-22

The Union Budget of 2021-22 was presented **by Smt Nirmala Sitharaman**, Finance Minister on February 01, 2021. The nation's first digital budget contains schemes to continue empowering multiple sectors of the economy and sections of the society given the unprecedented contraction triggered by the global pandemic.

The **fight against COVID-19** resumes as India documents a lowering death rate of **112 per mn population** and a case rate of **130 per mn population**. **Covishield and Covaxin** are two vaccines that are currently being administered to those in need across the nation, and among partner nations.





Mitigatory Schemes implemented so far

- | The Pradhan Mantri Garib Kalyan Yojana with an outlay of **Rs 2.76 lakh crore (\$ 37.83 bn)** provided food grains to **800mn** beneficiaries as well as free cooking gas and cash for the needy.
- | The three tranches of the **Atmanirbhar Bharat Scheme** were implemented to facilitate economic recovery from the pandemic.
- | Production Linked Incentives targeting **13 sectors** of the economy were launched.
- | **Four labour codes** were launched and reforms targeting the MSME space were also implemented.

The Atmanirbhar Bharat scheme in combination with the reforms implemented by the RBI created a financial impact of **Rs 27.1 lakh crores (\$371.45bn)**



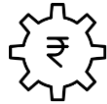


Vision for A Self Reliant India

The Finance Minister presented a vision for the actualisation of Atmanirbhar Bharat or 'Self Reliant India' through 6 key pillars:



Health and Wellbeing



Physical & Financial
Capital, and Infrastructure



Inclusive Development for
Aspirational India



Reinvigorating
Human Capital



Innovation and R&D



Minimum Government and
Maximum Governance

With reforms under each of the pillars, **Atmanirbharta** is expected to elevate India into the business epicentre of the world. The expected impacts include **Good Governance, Greater public health, Women's Empowerment, Inclusive development and Doubling of Farmers' income.**



Health and WellBeing





Strengthening the Healthcare Ecosystem

The broader domains of **Preventive, Curative and Well-Being** are to be strengthened. The following are the schemes proposed for the sector:

— **AtmaNirbhar Swasth Bharat Yojana** - With an outlay of **Rs 64,180 crores (\$8.8 bn)** over a period of 6 years, the scheme will facilitate support for : (i) 17,788 rural and 11,024 urban Health and Wellness Centers, (ii) Creating 15 Health Emergency Operation Centers and 2 mobile hospitals, (iii) Critical care hospital blocks in 602 districts and 12 central institutions, (iv) Integrated public health labs in all districts and 3382 block public health units in 11 States.

— Establishing **One Health**, a Research Platform for the WHO South East Asia Region, in addition to 9 laboratories and 4 National Institutes for Virology.

— Strengthening the National Centre for Disease Control (NCDC) and its branches





Swachh Bharat, Water Connectivity and Scrappage

With an allocation of **Rs. 1,41,678 crores, (\$19.42 bn)** the scheme will focus on waste segregation, faecal sludge management, plastic reduction, waste-water management, bio-regulation of dump sites and the managing of construction waste in urban areas.

The **Jal Jeevan Mission** will look towards installing water supply in **4,378 urban local bodies** and help enhance liquid waste management facilities in 500 AMRUT (Atal Mission for Rejuvenation & Urban Transformation) cities. The outlay for the scheme is at **Rs 2,87,000 crores (\$39.34 bn)** with an implementation period of 5 years.

A sum of **Rs 2,217 crores (\$303.88 mn)** has been allocated towards pollution mitigation in 42 urban centres.

Voluntary scrapping of personal vehicles after a period of 20 years, and commercial vehicles after a period 15 years has been proposed post automatic fitness tests.





Vaccine Development and Distribution



A total outlay of **Rs 2,23,846 crores (\$30.68 bn)** has been allocated to Health and Wellbeing, as against the previous years' outlay of **Rs 94,452 (\$12.95 bn)** crores, thereby marking an increase in allocation by **137%**.

The Pneumococcal vaccine will be made available throughout the country as against its current availability in 5 States alone.

An allocation of **Rs. 35,000 crores (\$4.8 bn)** for COVID-19 vaccine in BE 2021-22 has been made with further scope for funding on a need basis.

Physical and Financial Capital and Infrastructure





Incentives for the Infrastructure Sector

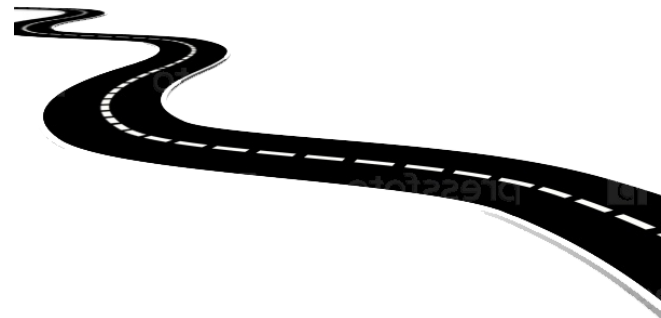
- **The National Infrastructure Pipeline (NIP)** undertaken by the Government of India is to receive funding through three measures : (i) Through institutional structures, (ii) Monetisation of assets, (iii) Enhancing Central Govt and State Govt Capital Expenditure.
- Monetisation of Dedicated Railway Freight Corridors, Airports, NHAI(National Highway Authority of India) Operational Toll Roads, Oil and Gas Pipelines of GAIL (Gas Authority of India Ltd.), Transmission Assets of PGCIL (Power Grid Corporation of India Limited), Warehousing Assets of CPSEs (Central Public Sector Enterprises) and Sports Stadiums are to be taken up.
- A National Monetisation Pipeline and Asset Monetisation Dashboard are to be created to facilitate the process and provide relevant updates to investors.
- A Capital Expenditure amount of **Rs 5.54 lakh crore (\$75.94 bn)** has been allocated, and a sum of **Rs 44,000 crores (\$6bn)** has been set aside for promising projects and departments.





Incentives for the Infrastructure Sector

- An enhanced outlay of **Rs 1,18,101 crore (\$16.2bn)** of which **Rs 1,08,230 crores (\$14.83 bn)** is of capital expenditure, has been allocated towards the Ministry of Road Transport and Highways.
- **Rs 2 lakh crore (\$27.41bn)** will be allocated towards the Capital Expenditure incurred by States and Autonomous Bodies.
- **Rs 1624 crores (\$222.6mn)** will be allocated towards the flagging of ships and 7 projects worth **Rs 2,000 crores (\$274.13mn)** will be offered on PPP mode during the Financial Year.
- A provision of **Rs 15,700 crores (\$2.15 bn)** has been allocated towards the MSME sector.



Reforms for the Railways sector



— **The Eastern and Western Dedicated Freight Corridors** are to be commissioned by June 2022, and new projects are to be taken up along the East Corridor (Kharagpur to Vijayawada), East-West Corridor (Bhusaval - Kharagpur- Dankuni), North-South Corridor (Itarsi- Vijayawada).

— A sum of **Rs 1,10,055 crores (\$15.08 bn)** has been allocated towards the Ministry of Railways of which Rs 1,07,100 crores (\$14.68 bn) is towards Capital Expenditure.

— Centralised funding is to be provided towards the Kochi Metro Rail Phase-II **{Rs 1957.05 crores (\$268.25 mn)}**, Chennai Metro Rail Phase-II **{Rs 63,246 crores (\$8.67 bn)}**, Bengaluru Metro Rail Phase 2A and 2B **{Rs.14,788 crores (\$2.03 bn)}**, Nagpur Metro Rail Phase-II **{Rs 5,976 crores (\$819.11 mn)}** and Nashik Metro Rail **{Rs.2,092 crores (\$286.74mn)}**.



Incentives for the Power and Oil and Natural Gas Sectors

- A power distribution scheme wherein end-users can choose between State and private-led entities is on the anvil. An outlay of **Rs 3,05,984 crores (\$ 41.94bn)** over 5 years will target DISCOMS, pre-paid smart metering, feeder separation and the upgradation of systems.
- The Pradhan Mantri Ujjwala Yojana (PMUY), launched by the Prime Minister on May 01, 2016 distributed 50 million LPG connections to women of Below Poverty Line families and will be extended to 1 crore new beneficiaries and 100 other districts are to be added to the City Gas Distribution network.
- A Gas Transport System Operator catering to common carrier capacity in all-natural gas pipelines is to be established.
- The Jammu & Kashmir Union Territories are to receive a natural gas pipeline.





Proposals for Disinvestment

- Disinvestment transactions in connection with **BPCL (Bharat Petroleum Corporation Ltd.), Air India, Shipping Corporation of India, IDBI Bank and BEML (Bharat Earth Movers Ltd.)** are to be completed in 2021-22.
- A sum of **Rs 1,75,000 crores (\$24bn)** have been earmarked as receipts from disinvestments to be conducted in BE 2021-22.
- Legislative amendments to facilitate the disinvestment of national banks and insurance companies are to be introduced in the immediate future.
- A policy for disinvestment in strategic and non-strategic sectors has been approved for implementation by the Government.
- Processes to liquidate idle assets and facilitate the closure of loss-making Central Public Sector companies are to be put in place.
- An incentive package for States to facilitate disinvestment of Public Sector Companies will be carved out from Central Funds.



Inclusive Development for Aspirational India





Agriculture and Fisheries

The Finance Minister has proposed the **extension of the SVAMITVA** (Survey of Villages Abadi and Mapping with Improved Technology in Village Areas) scheme to all States and Union Territories in FY21-22. This is a Central Scheme launched by the Prime Minister on National Panchayat Day (24 April 2020) to provide an integrated property validation solution for rural India using Drone Surveying technology.

The Agricultural credit target is to be increased to **Rs 16.5 lakh crores (\$226.16bn)** in FY22 and is to be expanded to animal husbandry, dairy, and fisheries.

The Rural Infrastructure Development Fund allocation has been enhanced to **Rs 40,000 crores (\$5.5bn)**.

The Kochi, Chennai, Visakhapatnam, Paradip, and Petuaghat harbours are to be developed into hubs of economic activity. Infrastructure for the development of fish-landing centres and fishing harbours along rivers and waterways.

A Multipurpose Seaweed Park is to be instituted in Tamil Nadu with the potential to enrich coastal communities.





Reinvigorating Human Capital



Reinvigorating Human Capital

- More than **15,000 schools** to be qualitatively strengthened to include all components of the National Education Policy.
- **100 new Sainik Schools** will be set up in partnership with NGOs/private schools/states.
- Proposal for a **Central University in Leh** for accessible higher education in Ladakh.
- Allotting **Rs 35,219 crores (\$4.83bn)** for 6 years till 2025-2026, to benefit 40 million Schedule Caste students.
- **Rs 3,000 crore (\$411.20mn)** shall be provided for the National Apprenticeship Promotion Scheme.
- An initiative is underway, in partnership with the United Arab Emirates (UAE), to benchmark skill qualifications, assessment, and certification, accompanied by the deployment of certified workforce.
- Presence of a collaborative Training Inter Training Programme (TITP) between India and Japan to facilitate transfer of Japanese industrial and vocational skills, technique, and knowledge.



Innovation and R&D

Innovation and R&D

- Allocation of **Rs 1,500 crore (\$205.6mn)** for a proposed scheme to provide financial incentive to promote digital modes of payment.
- The National Language Translation Mission (NTLM)** will enable the wealth of governance-and-policy related knowledge on the Internet being made available in major Indian languages.
- 4 Indian astronauts are being trained under **Gaganyaan Mission** in Russia.
- Launch of a **Deep Ocean Mission** with a budget outlay of more than **Rs 4,000 crores (\$548.27mn)**, over five years.





**Minimum Government,
Maximum Governance**



Minimum Government, Maximum Governance

Rationalising of the functioning of Tribunals.

Introduction of the National Commission for Allied Healthcare Professionals Bill in Parliament.

Allocation of **Rs 3,768 crores (\$516.47mn)** in FY22 towards the forthcoming Census.

Proposal to provide **Rs 1,000 crores (\$137.07mn)** for the welfare of Tea workers especially women and their children in Assam and West Bengal.



Fiscal Position



The fiscal deficit in 2020-21 is pegged at **9.5% of GDP**.

The fiscal deficit in BE 2021-2022 is estimated to be **6.8% of GDP**.

Aiming to reduce this to **4.5%** of GDP by 2025-2026.

The Contingency Fund of India is being proposed to be augmented from **Rs. 500 crores (\$68.53mn)** to **Rs. 30,000 crores (\$4.11bn)** through the Finance Bill.



Thank You



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DIPLOMACY
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