
Union Budget 2018-19

Allocations

Investment, Expenditure and Policy Initiatives

Agriculture and Rural Economy

- Minimum support price (MSP) to be realized to farmers for the majority of rabi crops at least at one and a half times the cost involved.
- Government has decided to keep MSP for the all unannounced crops of kharif at least at one and half times of their production cost.
- An Agri-Market Infrastructure Fund with a corpus of `2000 crore will be set up for developing and upgrading agricultural marketing infrastructure in the 22000 Grameen Agricultural Markets (GrAMs) and 585 APMCs.
- To include major link routes which connect habitations to agricultural and rural markets (GrAMs), higher secondary schools and hospitals. Prime Minister Gram Sadak Yojana Phase III will include such linkages.
- To develop cluster based model in a scientific manner for identified agriculture produces
- It brings advantages of scales of operations and can spur establishment of entire chain from production to marketing, besides giving recognition to the districts for specific crops
- Cultivation of horticulture crops in clusters.
- Organic farming by Farmer Producer Organizations (FPOs) and Village Producers' Organizations (VPOs) in large clusters, preferably of 1000 hectares each, will be encouraged.
- Women Self Help Groups (SHGs) will also be encouraged to take up organic agriculture in clusters under National Rural Livelihood Programme.
- Our Government shall support organized cultivation and associated industry. It is proposed to allocate a sum of `200 crore for this purpose.
- Allocation of Ministry of Food Processing is being doubled from `715 crore in RE 2017-18 to `1400 crore in BE 2018-19.
- Tomato, onion and potato are basic vegetables consumed throughout the year. To launch an "Operation Greens" on the lines of "Operation Flood". "Operation Greens" shall

promote Farmer Producers Organizations (FPOs), Agri-logistics, processing facilities and professional management. It is proposed to allocate a sum of `500 crore for this purpose.

- India's agri-exports potential is as high as US \$ 100 billion against current exports of US \$ 30 billion.
- To realize this potential, to set up state-of-the-art testing facilities in all the forty two Mega Food Parks.
- To extend the facility of Kisan Credit Cards to fisheries and animal husbandry farmers to help them meet their working capital needs.
- Bamboo is to be considered as 'Green Gold'.
- To launch a Re-structured National Bamboo Mission with an outlay of `1290 crore to promote bamboo sector in a holistic manner.
- To take necessary measures and encourage State Governments to put in place a mechanism that the surplus solar power generated by harvesting Sun by the farmers is purchased by the distribution companies or licensees at reasonably remunerative rates.
- Setting up Fisheries and Aquaculture Infrastructure Development Fund (FAIDF) for fisheries sector and an Animal Husbandry Infrastructure Development Fund (AHIDF) for financing infrastructure requirement of animal husbandry sector. Total Corpus of these two new Funds would be `10,000 crore.
- To raise institutional credit for agriculture sector from 10 lakh crore in 2017-18 to `11 lakh crore for the year 2018-19.
- NITI Aayog, in consultation with State Governments, will evolve a suitable mechanism to enable access of lessee cultivators to credit without compromising the rights of the land owners.
- A favourable taxation treatment to Farmer Producers Organisations (FPOs) for helping farmers aggregate their needs of inputs, farm services, processing and sale operations.
- A special Scheme will be implemented to support the efforts of the governments of Haryana, Punjab, Uttar Pradesh and the NCT of Delhi to address air pollution and to subsidize machinery required for in-situ management of crop residue.
- To increase the target of providing free LPG connection to 8 crore poor women under Ujjwala scheme.
- A target that every poor of this country may have his own house by 2022. For this purpose Prime Minister Awas Yojana has been launched in rural and urban areas of the country.
- Under Prime Minister Awas Scheme Rural, 51 lakhs houses in year 2017-18 and 51 lakh houses during 2018-19 which is more than one crore houses will be constructed exclusively in rural areas.

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- In urban areas the assistance has been sanctioned to construct 37 lakh houses.
 - To substantially increase allocation of National Rural Livelihood Mission to `5750 crore in 2018-19.
 - Ground water irrigation scheme under Prime Minister Krishi Sinchai Yojana- allocated `2600 crore
 - On providing maximum livelihood opportunities in the rural areas by spending more on livelihood, agriculture and allied activities and construction of rural infrastructure.
 - In the year 2018-19, for creation of livelihood and infrastructure in rural areas, total amount to be spent by the Ministries will be `14.34 lakh crore, including extra-budgetary and non-budgetary resources of `11.98 lakh crore.

Health, Education and Social Protection

- Allocation on National Social Assistance Programme this year has been kept at `9975 crore.
- Devising a district-wise strategy for improving quality of education.
- To treat education holistically without segmentation from pre-nursery to Class 12.
- Improvement in quality of teachers can improve the quality of education in the country.
- Amended the Right to Education Act to enable more than 13 lakh untrained teachers to get trained.
- Technology will be the biggest driver in improving the quality of education.
- Propose to increase the digital intensity in education and move gradually from “black board” to “digital board”.
- To upgrade the skills of teachers through the recently launched digital portal “DIKSHA”.
- To provide the best quality education to the tribal children in their own environment.
- It has been decided that by the year 2022, every block with more than 50% ST population and at least 20,000 tribal persons, will have an Ekalavya Model Residential School.
- Ekalavya schools will be on par with Navodaya Vidyalayas and will have special facilities for preserving local art and culture besides providing training in sports and skill development.
- To launch a major initiative named “Revitalizing Infrastructure and Systems in Education (RISE) by 2022” with a total investment of `1, 00,000 crore in next four years.

- Higher Education Financing Agency (HEFA) would be suitably structured for funding this initiative.
- To set up a specialized Railways University at Vadodara.
- To set up two new full-fledged Schools of Planning and Architecture (SPA), to be selected on challenge mode.
- 18 new SPAs would be established in the IITs and NITs as autonomous Schools, also on challenge mode.
- to launch the “Prime Minister’s Research Fellows (PMRF)” Scheme this year. Under this, we would identify 1,000 best B.Tech students each year from premier institutions and provide them facilities to do Ph.D. in IITs and IISc, with a handsome fellowship.
- The National Health Policy, 2017 has envisioned Health and Wellness Centres as the foundation of India’s health system.
- Committing `1200 crore in this budget for this flagship programme.
- Launch a flagship National Health Protection Scheme to cover over 10 crore poor and vulnerable families (approximately 50 crore beneficiaries) providing coverage up to 5 lakh rupees per family per year for secondary and tertiary care hospitalization.
- To allocate additional `600 crore to provide nutritional support to all TB patients at the rate of `500 per month for the duration of their treatment.
- To enhance accessibility of quality medical education and health care, we will be setting up 24 new Government Medical Colleges and Hospitals by upgrading existing district hospitals in the country.
- Propose an earmarked allocation of `56,619 crore for SCs and `39,135 crore for STs in BE 2018-19.
- Government’s estimated schematic budgetary expenditure on health, education and social protection for 2018-19 is `1.38 lakh crore against estimated expenditure of `1.22 lakh crore in BE 2017-18.

Medium, Small and Micro Enterprises (MSMEs) and Employment

- Provided `3794 crore to MSME Sector for giving credit support, capital and interest subsidy and innovations.
- Online loan sanctioning facility for MSMEs will be revamped for prompt decision making by the banks.

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- To announce measures for effectively addressing non-performing assets and stressed accounts of MSMEs.
 - Creating job opportunities and facilitating generation of employment
 - Contribution of 12% to EPF for new employees for three years by the Government for all the sectors for next three years
 - The facility of fixed term employment will be extended to all sectors.
 - To incentivize employment of more women to make amendments in the Employees Provident Fund and Miscellaneous Provisions Act, 1952 to reduce women employees' contribution to 8% for first three years of their employment against existing rate of 12% or 10% with no change in employers' contribution.
 - To provide an outlay of ₹7148 crore for the textile sector in 2018-19.

Infrastructure and Financial Sector Development

- An all-time high allocation to rail and road sectors.
- To secure India's defences, we are developing connectivity infrastructure in border areas.
- For promoting tourism and emergency medical care, Government will make necessary framework for encouraging investment in sea plane activities.
- Smart Cities Mission aims at building 100 Smart Cities with state-of-the-art amenities.
- 99 Cities have been selected with an outlay of ₹2.04 lakh crore.
- To preserve and revitalize soul of the heritage cities in India, National Heritage City Development and Augmentation Yojana (HRIDAY) has been taken up in a major way.
- Proposed to develop ten prominent tourist sites into Iconic Tourism destinations by following a holistic approach involving infrastructure and skill development, development of technology, attracting private investment, branding and marketing.
- Tourist amenities at 100 Adarsh monuments of the Archaeological Survey of India will be upgraded to enhance visitor experience.
- The AMRUT programme focuses on providing water supply to all households in 500 cities.
- A 'Safety First' policy, with allocation of adequate funds under Rashtriya Rail Sanraksha Kosh is cornerstone of Railways' focus on safety.
- Redevelopment of 600 major railway stations
- All railway stations and trains will be progressively provided with Wi-Fi. CCTVs will be provided at all stations and on trains to enhance security of passengers.
- To reform measures with respect to stamp duty regime on financial securities transactions in consultation with the States and make necessary amendments the Indian Stamp Act.

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- NITI Aayog will initiate a national program to direct our efforts in the area of artificial intelligence, including research and development of its applications.
 - To invest in research, training and skilling in robotics, artificial intelligence, digital manufacturing, big data analysis, quantum communication and internet of things, Department of Science & Technology will launch a Mission on Cyber Physical Systems to support establishment of centres of excellence.
 - Doubled the allocation on Digital India programme to ` 3073 crore in 2018-19.
 - The Government also proposes to setup five lakh Wi-Fi hotspots which will provide broadband access to five crore rural citizens.
 - Allocation of `10000 crore in 2018-19 for creation and augmentation of Telecom infrastructure.
 - The Department of Telecom will support establishment of an indigenous 5G Test Bed at IIT, Chennai.
 - ***The Government does not consider crypto-currencies legal tender or coin and will take all measures to eliminate use of these crypto-assets in financing illegitimate activities or as part of the payment system.***
 - From December, 2017 all class ‘M’ and ‘N’ vehicles are being sold only with the Fastags. The Government will come out with a policy to introduce toll system on ‘‘pay as you use’’ basis.
 - To create employment and aid growth, Government’s estimated budgetary and extra budgetary expenditure on infrastructure for 2018-19 is being increased to `5.97 lakh crore against estimated expenditure of `4.94 lakh crore in 2017-18.

Building Institutions and Improving Public Service Delivery

- Defence take measures to develop two defence industrial production corridors in the country.
- To bring out an industry friendly Defence Production Policy 2018 to promote domestic production by public sector, private sector and MSMEs.
- Aadhar has provided an identity to every Indian.
- The Government will evolve a Scheme to assign every individual enterprise in India a unique ID.

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- Process of acquisition of Hindustan Petroleum Corporation by the ONGC has been successfully completed.
 - Three public sector general insurance companies National Insurance Company Ltd., United India Assurance Company Limited and Oriental India Insurance Company Limited will be merged into a single insurance entity and will be subsequently listed.
 - Bank recapitalization program has been launched with bonds of `80,000 crore being issued this year.
 - It is proposed to allow strong Regional Rural Banks to raise capital from the market to enable them increase their credit to rural economy.
 - National Housing Bank Act is being amended to transfer its equity from the Reserve Bank of India to the Government.
 - Indian Post Offices Act, Provident Fund Act and National Saving Certificate Act are being amalgamated and certain additional people friendly measures are being introduced.
 - To provide the Reserve Bank of India an instrument to manage excess liquidity, Reserve Bank of India Act is being amended to institutionalize an Uncollateralized Deposit Facility.
 - The Government is transforming method of disposal of its business by introduction of e-office and other e-governance initiatives in central Ministries and Departments.
 - The Government will formulate a comprehensive Gold Policy to develop gold as an asset class.
 - Hybrid instruments are suitable for attracting foreign investments in several niche areas, especially for the start-ups and venture capital firms. The Government will evolve a separate policy for the hybrid instruments.
 - The emoluments of the President, the Vice President and the Governors were last revised with effect from 1st January, 2006.
 - These emoluments are proposed to be revised to `5 lakh for the President, `4 lakhs for the Vice President and to `3.5 lakh per month for the Governors.
 - To refix the salary, constituency allowance, office expenses and meeting allowance payable to Members of Parliament with effect from April 1, 2018.
 - The law will also provide for automatic revision of emoluments every five years indexed to inflation.
 - Projecting a Fiscal Deficit of 3.3% of GDP for the year 2018-19.

(Source: <http://www.indiabudget.gov.in/bill.asp>, <http://www.indiabudget.gov.in/memo.asp>,
<http://www.indiabudget.gov.in/bspeecha.asp>)