



ISSUE 124  
AUGUST  
2024

# ECONOMIC NEWSLETTER

BJP KARNATAKA ECONOMIC CELL INITIATIVE

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## UNION BUDGET 2024-25

## QUOTE OF THE MONTH

“This budget envisages sustained efforts on 9 priorities for generating ample opportunities for all.”

~ FM Smt. Nirmala Sitharaman  
in  
Budget 2024-25 Speech

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The Union Budget 2024-25 is the first budget of the renewed term of the NDA Government under Prime Minister Sri Narendra Modi's leadership and the first full budget since the PM announced the aspirational 'Viksit Bharat' vision for India to join the ranks of developed nations by the year 2047.

The Union Finance Minister Smt. Nirmala Sitharaman, has created a wonderful 'Navaratna' framework that will help lay a foundation for the nation to pursue the ambitious goal that the PM has set for us. These Navaratna encompass all sections of the society and economy, finely balancing the economy and the environment,

strategic public expenditure with room for private initiative & ingenuity, investment with fiscal prudence, digital with traditional, growth with sustainability, AtmaNirbharta with a rising global presence, research and innovation with execution and delivery, continuity and reform and thus has created a unique opportunity for youth of today to participate and build a Bharat that future generations can be proud of.

Overall, the budget ensures support for high growth, creation of employment opportunities, and address critical infrastructure & energy needs, while spurring investment, innovation and growth.

# HIGHLIGHTS OF ECONOMIC SURVEY - 2023-24

India's response to the pandemic was 3 pronged -

- Focus on infrastructure development to create a strong demand for jobs and industrial output.
- Digitalization of services to ensure more efficient service delivery to beneficiaries.
- Atmanirbhar Bharat Abhiyan to boost certain industries and job creation.

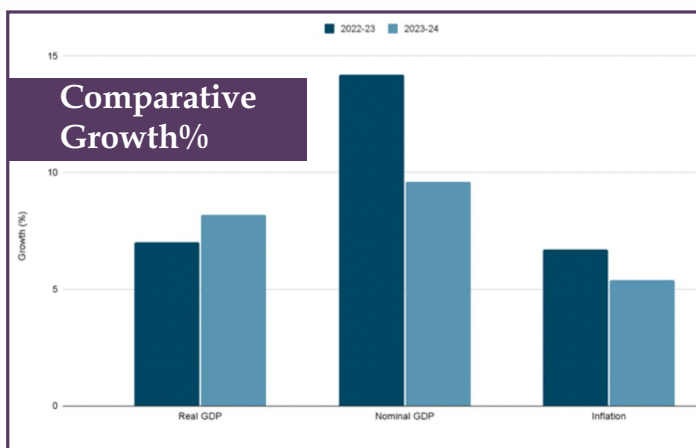
The effects of these reforms are reflected in the medium-term growth projected. When the world is engulfed in battling the long-term effects of an unprecedented pandemic, wars affecting economies and jobs, supply chain disruption, and extremities in climate, Indian Economy recovered and emerged as the fastest growing economy in the world.

## Growth: Context matters.

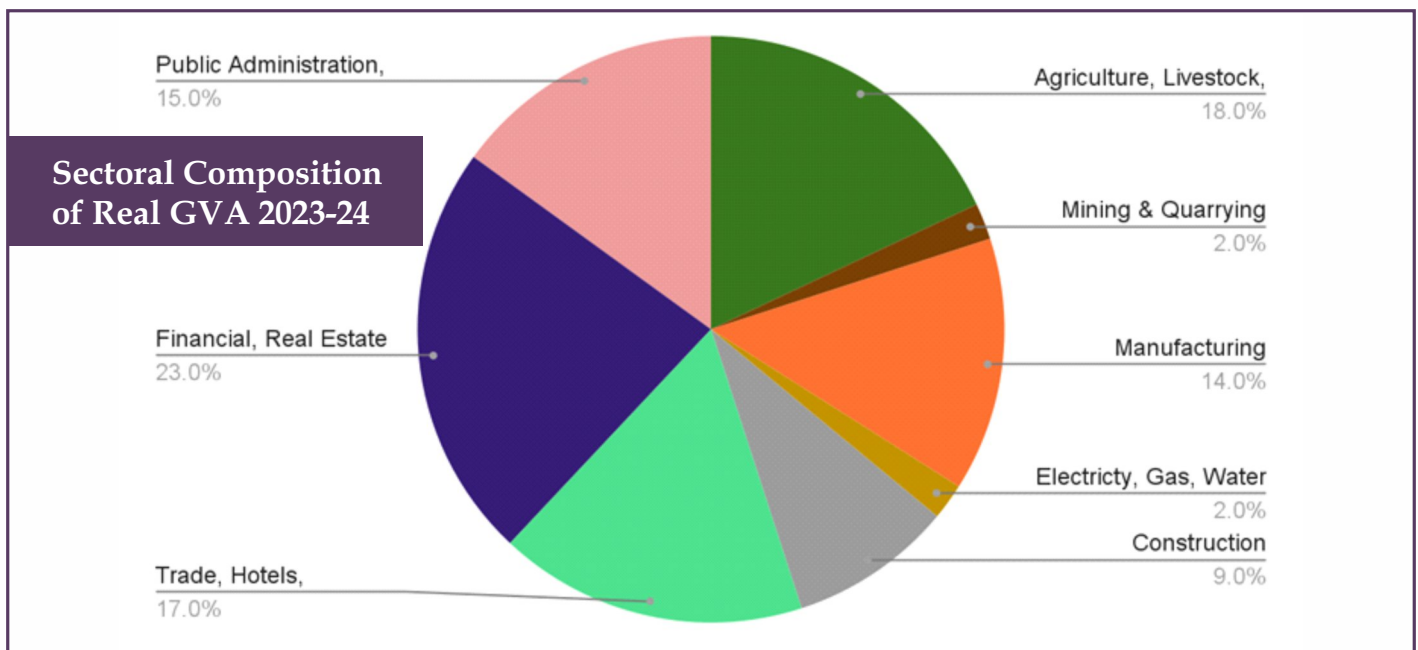
### Macroeconomic and political situation of the global economy



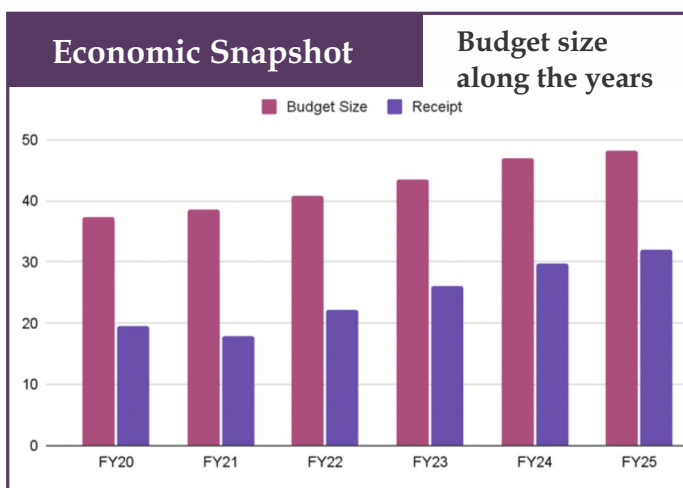
Source: World Economic Outlook Database, April 2024, IMF, UNCTADstat database, Federal Reserve Bank of New York, Economic Policy Uncertainty; Notes<sup>3,4</sup>



SOURCE : Economic Survey 2023-24



India's expenditure for FY25 is estimated to be ₹ 48.21 lakh crores.



FY 2024-25 will aim to keep fiscal deficit below 4.5%.

The RBI maintained a steady policy rate at 6.5% throughout FY24.

India's Foreign Exchange Reserves is sufficient to cover around 11 months of imports.

Capital Expenditure for FY25 is estimated to be ₹ 11.11 lakh crores (3.4% of GDP).

## THE FOUNDATION IS READY FOR A VIKASIT BHARAT BY 2047

The Economic Survey of India 2023-24 paints an encouraging picture of India's economic resilience and strong fundamentals as a result of the programs implemented by the NDA government over the last 10 years during its administration.

The survey reports a strong growth rate of 8.2% for the 2023-24 financial year, driven by a remarkable recovery from the challenges posed by the COVID-19 pandemic. This growth reflects the effectiveness of government

policies aimed at stabilizing and revitalizing the economy. Inflation, while mostly under control, has seen some increases in food prices, but overall, the economic environment remains stable. The trade deficit has narrowed, signalling a healthier balance of payments, as India continues to earn more from its international trade than it spends.

Public investment has played a crucial role in driving this growth, but there is a growing expectation for the private sector to take the lead, with opportunities for new investments on the horizon despite global uncertainties. The employment scenario, though complex, shows positive signs, particularly in manufacturing & factory jobs, while sectors like agriculture and services continue to evolve.

The survey acknowledges challenges such as global geopolitical tensions, climate change, and the impact of new technologies like Artificial Intelligence on the job market. However, it also emphasizes the country's potential to overcome these obstacles.

The outlook for coming years in terms of GDP growth, investments and infrastructure development are all positive going by the observed trends and data. Structural reforms across the board, policy reforms to enhance ease of doing business, creation of digital public infrastructure, and boosting renewable energy adoption for energy independence and strategic energy security and agriculture investments will boost the Indian economy to greater heights in the coming years.

With a focus on creating jobs, enhancing productivity, and ensuring that growth is inclusive and sustainable, India is well-positioned to achieve its ambitious goal of becoming a developed nation by 2047. This vision is not just a dream but a real possibility, supported by the resilience and dynamism of the Indian economy. ■



# NAVARATNA

## 9 PRIORITIES IN BUDGET 2024-25, TO GENERATE AMPLE OPPORTUNITIES FOR ALL



### PRODUCTIVITY & RESILIENCE IN AGRICULTURE

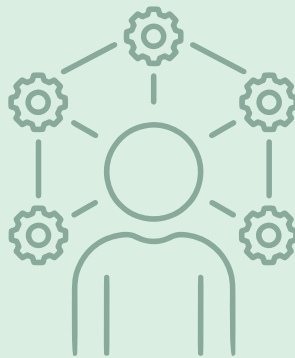


- Provision of ₹ 1.52 lakh crore for the agriculture and allied sector and envisages a Public Private Partnership (PPP).
- Over the next 2 years, 1 crore farmers across the country will be initiated into natural farming, supported by certification & branding.
- Digital Public Infrastructure will be expanded through a digital crop survey for Kharif in 400 districts, incorporating details of 6 crore farmers and their lands into the farmer and land registries. All agricultural lands will be covered within 3 years.
- A National Co-operation Policy will be introduced to develop the cooperative sector, fast-tracking the rural growth while generating large-scale employment.

### EMPLOYMENT & SKILLING

#### 3 schemes for 'Employment Linked Incentive'

- 1<sup>st</sup> scheme will provide a 1-month wage to first-time employees registered in the EPFO, up to ₹ 15,000 benefiting 2.1 crore youth.
- 2<sup>nd</sup> scheme will incentivize additional employment in the manufacturing sector based on EPFO contributions for the first 4 years of employment benefiting 30 lakh youth & their employers.
- 3<sup>rd</sup> scheme - For each additional employee with a salary of up to ₹ 1 lakh p.m., the government will reimburse employers up to ₹ 3000 p.m. for 2 years towards their EPFO contributions thus incentivizing the additional employment of 50 lakh individuals.
- Working women hostels will be set up in collaboration with the industry, and creches will be established.
- A new centrally sponsored scheme for skilling in collaboration with state governments and the industry will up-skill 20 lakh youth.

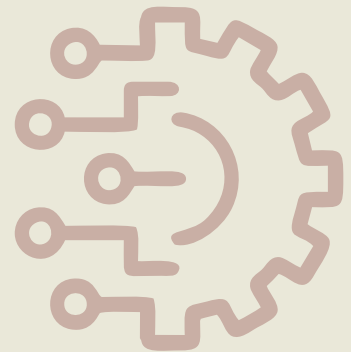


### URBAN DEVELOPMENT

- Transit-Oriented Development plans for 14 large cities with populations above 30 lakhs will be created, with an implementation and financing strategy.
- Under PM Awas Yojana Urban 2.0, housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹ 10 lakh crore over the next 5 years.
- To encourage states to moderate high stamp duty rates, with further incentives to lower duties for properties purchased by women.

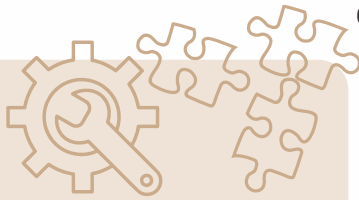
### INFRASTRUCTURE

- An allocation of ₹ 11,11,111 crore has been made for capital expenditure this year, representing 3.4% of GDP.
- A provision of ₹ 1.5 lakh crore for long-term interest-free loans has been made this year to support states in their resource allocation.



- Model Skill Loan Scheme will be revised to facilitate loans of up to ₹ 7.5 lakh with a guarantee from a government-promoted fund, benefiting 25,000 students annually.
- Financial support for education loans up to ₹ 10 lakh for higher education in domestic institutions will be provided.
- E-vouchers will be given directly to 1 lakh students each year for annual interest subvention of 3% of the loan amount.

## MANUFACTURING & SERVICES



- New credit guarantee scheme will facilitate term loans to MSMEs for purchasing machinery and equipment without collateral or third-party guarantees by providing pooled guarantee covers up to ₹100 crore.
- Public sector banks to assess MSMEs for credit based on digital footprints rather than traditional asset or turnover criteria.
- Mudra loan limit will be increased to ₹20 lakh from the current ₹10 lakh.
- E-Commerce Export Hubs will be established in PPP mode to help MSMEs and traditional artisans sell their products internationally.
- Internship opportunities to 1 crore youth over 5 years with an allowance of ₹5,000 p.m. and a one-time assistance of ₹6,000.
- Development of "plug & play" industrial parks with complete infrastructure in or near 100 cities, in partnership with states and the private sector.
- A Critical Mineral Mission will be set up for domestic production, recycling, and overseas acquisition of critical mineral assets.
- Offshore mining of minerals will commence with the auction of the first tranche of offshore blocks.
- In services sector, DPI applications will be developed to drive productivity gains, business opportunities, and innovation. This will target areas such as credit, e-commerce, education, health, law and justice, logistics, MSMEs, service delivery, and urban governance.

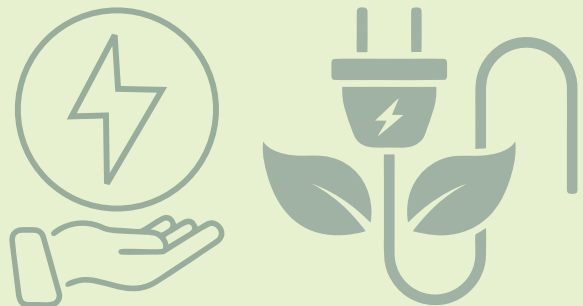
## INCLUSIVE HUMAN RESOURCE DEVELOPMENT & SOCIAL JUSTICE



- The commitment to all-inclusive development focuses on empowering Gareeb, Yuva, Annadata, and Naari (GYAN).
- Purvodaya plan will focus on the all-round development of the eastern region of the country, covering Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh.
- Special financial support to Andhra Pradesh through multilateral development agencies, with ₹15,000 crore arranged for the current financial year & additional amounts in future years.
- Early completion of the Polavaram Irrigation Project will be prioritized.
- Funds will be provided for essential infrastructure and additional allocations will be made for capital investment to promote economic growth, and grants for the backward regions of Rayalaseema, Prakasam & North Coastal Andhra.
- 3 crore additional houses under the PM Awas Yojana in rural and urban areas have been announced.
- PM Janjatiya Unnat Gram Abhiyan covering 63,000 villages & benefiting 5 crore tribal people will be launched to improve the socio-economic conditions of tribal communities.
- Over 100 branches of India Post Payment Bank will be set up in the North East region to expand banking.

## ENERGY SECURITY

- A policy for promoting pumped storage projects will be introduced to facilitate electricity storage and smooth integration of the growing share of renewable energy.
- Partnerships with the private sector will be established for setting up Bharat Small Reactors, research and development of Bharat Small Modular Reactors, and development of newer technologies for nuclear energy.
- A joint venture between NTPC and BHEL will set up a full-scale 800 MW commercial plant using Advanced Ultra Super Critical (AUSC) technology, with the required fiscal support.



- A roadmap for transitioning 'hard to abate' industries from 'energy efficiency' targets to 'emission targets' will be formulated.
- Support for shifting traditional micro and small industries to cleaner forms of energy and implementing energy efficiency measures and will be replicated in 100 clusters in the next phase.

## INNOVATION, RESEARCH & DEVELOPMENT



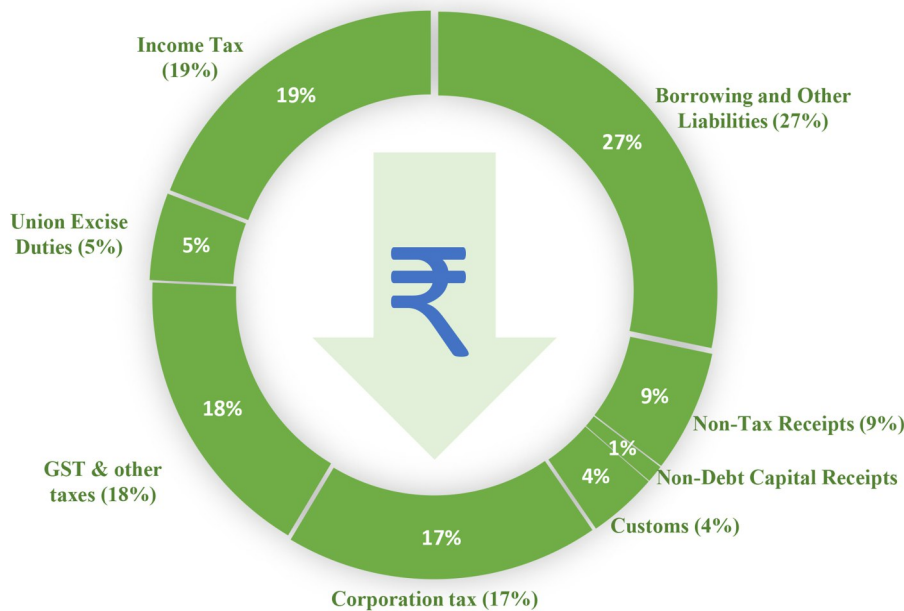
- Anusandhan National Research Fund will be operationalized to support basic research and prototype development.
- Additionally, a mechanism will be established to spur private sector-driven research and innovation at a commercial scale, backed by a financing pool of ₹1 lakh crore.
- To expand the space economy 5-fold over the next decade, a venture capital fund of ₹1,000 crore will be created.

## NEXT GENERATION REFORMS

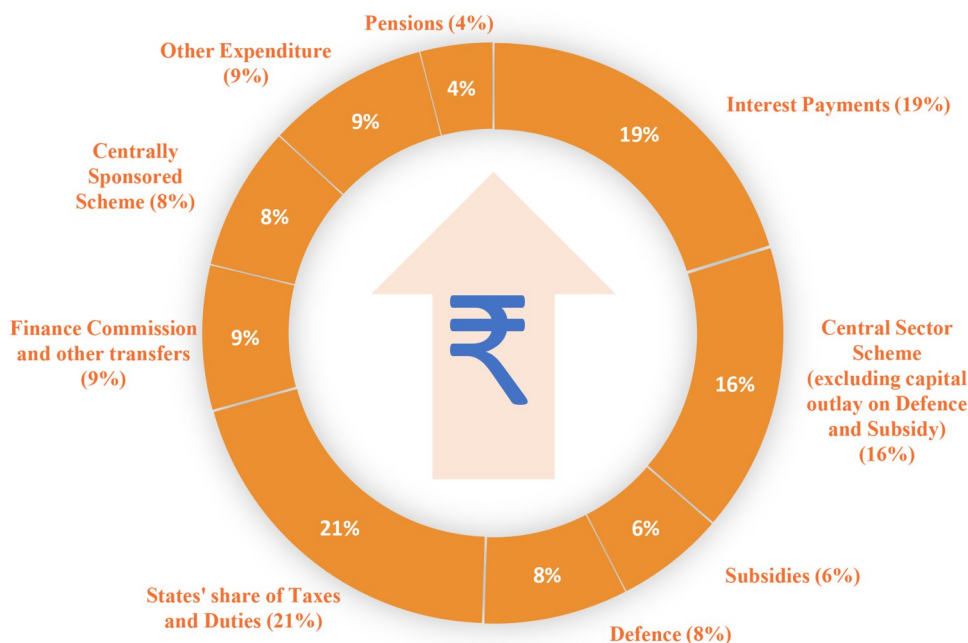


- An Economic Policy Framework will be formulated to delineate the approach to economic development and set the scope for the next generation of reforms.
- Promoting competitive federalism & incentivizing states for faster implementation of reforms.
- Land-related reforms will cover administration, planning, management, urban planning, usage, and building bylaws, incentivized for completion within the next 3 years through appropriate fiscal support.
- Comprehensive integration of the e-shram portal with other portals will facilitate a one-stop solution.
- A taxonomy for climate finance will enhance the availability of capital for climate adaptation and mitigation.
- Simplified rules and regulations for Foreign Direct Investment and Overseas Investments.

## RUPEE COMES FROM



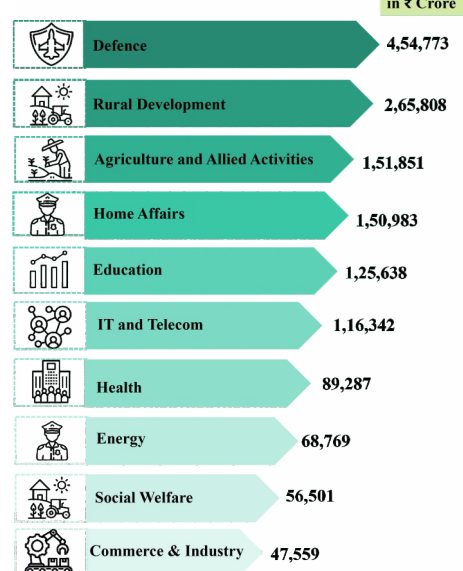
## RUPEE GOES TO



## BUDGET THEME



## EXPENDITURE OF MAJOR ITEMS



# GDP = ₹335 lakh Crores

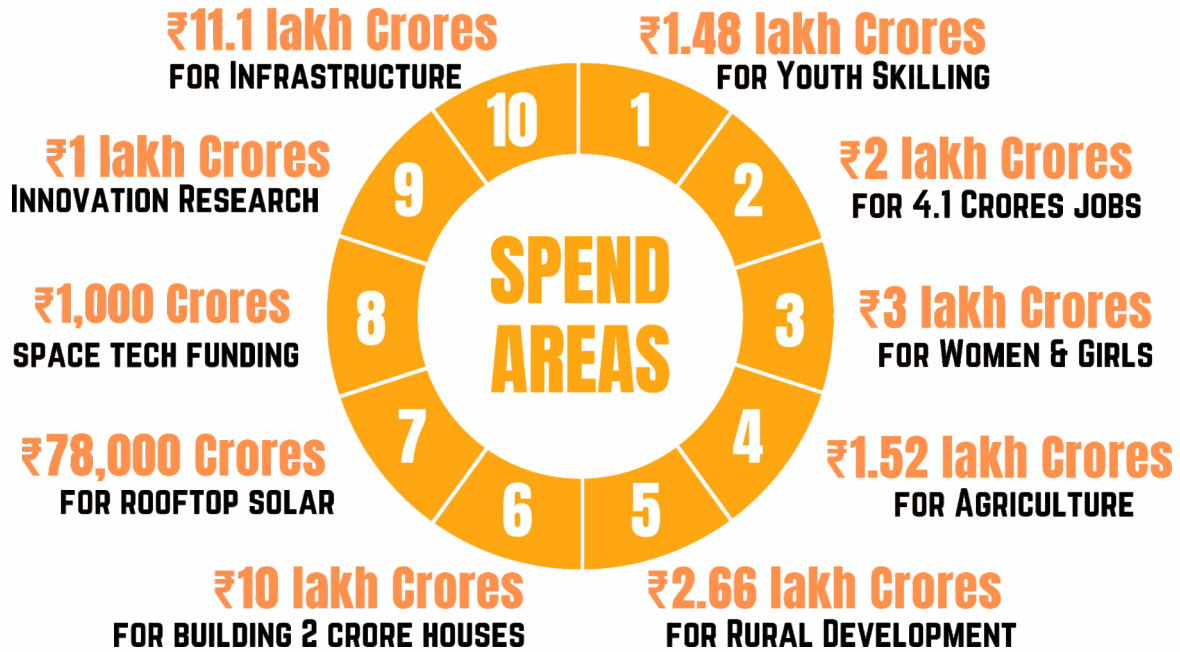
Budget Size

48.21 lakh  
Crores

Receipts

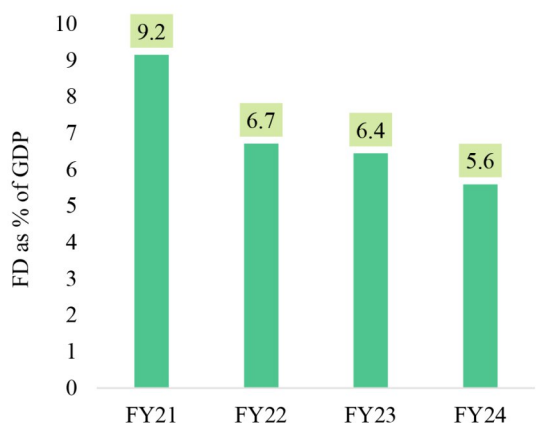
32.07 lakh  
Crores

Fiscal Deficit

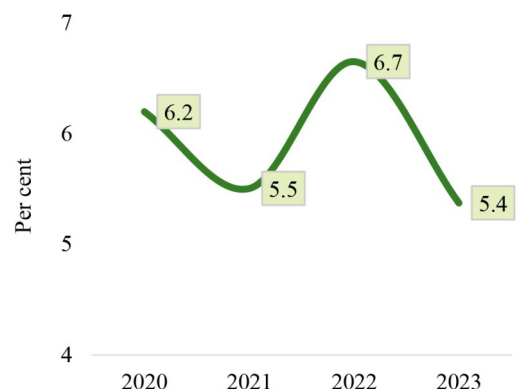
4.9%  
of GDP

## ROBUST ECONOMIC FOUNDATIONS

Decreasing Fiscal Deficit as % of GDP



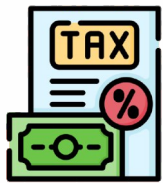
Taming Inflation





## TAX PROPOSALS

### Simplification in Taxes



Review of  
Income Tax  
Act 1961



Simplification  
of charities and  
TDS



Litigation and  
Appeal



Deepening the  
tax base

### Sector Specific Customs Duty Proposals

Comprehensive review of the rate structure for ease of trade, removal of duty inversion and reduction of disputes

#### Changes in Custom Duty

#### Beneficiaries

Fully exempt 3 more cancer medicines from custom duties

Affordable medicines

Reduce BCD to 15% on Mobile phone, Mobile PCBA and charger

Mobile industry

Reduce custom duty on gold and silver to 6% and platinum to 6.4%

Domestic value addition

Reduce BCD on shrimp and fish feed to 5%

Enhance competitiveness in marine exports

Exempted more capital goods for manufacturing of solar cells & panels

Support energy transition

Fully exempt custom duties on 25 critical minerals

Boost to strategic sectors

## DIRECT TAX PROPOSALS

To reduce the compliance burden, promote entrepreneurial spirit and provide tax relief to citizens

### Rationalisation of capital gains

- Short term gains of financial assets to attract **20%** tax rate
- Long term gains on all financial and non-financial assets to attract a tax rate of **12.5%**
- Increase in limit of exemption of capital gains on financial assets to ₹1.25 lakh per year



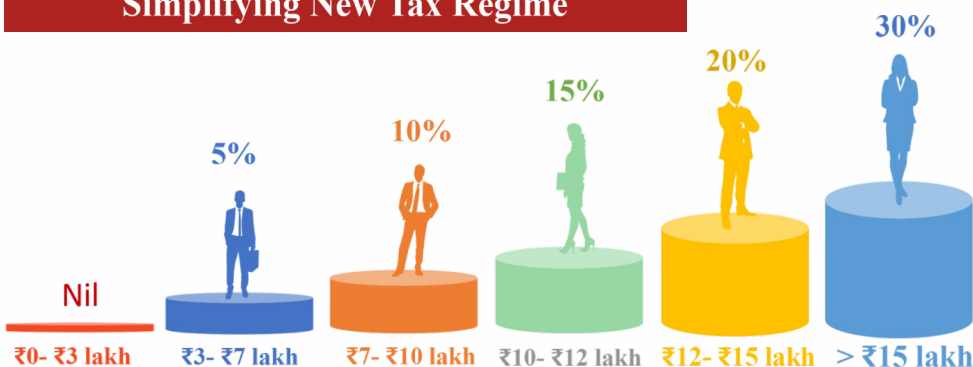
- Abolish **ANGEL tax** for all classes of investors.
- Simpler tax regime to operate **domestic cruise**
- Provide for **safe harbour rates** for foreign mining companies (Selling raw diamonds)
- Corporate tax rate on foreign companies reduced from 40% to **35%**

### Investment and Employment

Standard Deduction for Salaried Employees increased from ₹ 50,000 to ₹ 75,000

Deduction on Family Pension for Pensioners increased from ₹ 15,000 to ₹ 25,000

### Simplifying New Tax Regime



Savings upto ₹17,500





# BUDGET ALLOCATIONS FOR NAMMA KARNATAKA



**K**arnataka has a history of economic development and industrial might from ancient times. Be it a 5,000-year-old pottery factory in Sanganakallu, routing the naval might of Portuguese invaders by Rani Abbakka of Chowta or Bengaluru becoming the first Asian city to install electrical street lamps - thanks to Maharaja Krishnaraja Wadiyar IV of the Mysuru Kingdom, Karnataka has stamped its indelible mark on the economic history of Bharat. Even after independence, the state has pioneered the growth of IT/BT sectors and developed the Silicon Valley of India which accounts for nearly 40% of the country's IT exports.

Today, the state boasts several strengths contributing to its robust economic profile. Karnataka has a strong industrial base, particularly in aerospace, biotechnology, and the automobile industry. It is a leader in biotechnology and pharmaceuticals. Karnataka's agriculture is diverse, being the largest producer of coffee in India and supporting significant agro-based industries. The state is also renowned for its educational and research institutions - like IISc, IIMB, NLSIU - contributing to a skilled workforce and innovation. Tourism - including cultural sites like Hampi, Beluru, Halebidu, Kodagu - adds to its strength. Thus, this year's budget allocation is of great significance to us in increasing the state's attractiveness for investment and business.



Karnataka has been allocated ₹ 7559 crores for Railway projects. This is a tremendous increase of 805% from the outlay allocated in 2009-14 (₹ 835 crores). There are 31 on-going projects spanning 3,840 Kms at a cost of ₹ 47,016 crores.

Electrification of tracks was executed at 317 Km per annum on an average over the past 10 years, an 18 times the work carried out in 2009-14. New tracks were laid down at 163 Km per annum (average) in 2014-24 which is 1.4 times that in 2009-14. 7 Vande Bharat trains have been operationalized in the past 2 years as of March 2024.

As per the recent announcement, 59 stations in Karnataka will be developed as Amrit stations. In March 2023, Shree Siddharoodha Swamiji Hubballi Station entered the Guinness Book of World Records for containing the Longest Railway Platform in the world at 1.5 Km, built at the cost of ₹ 20 crores. The Metro rail system in Bengaluru was extended by 57 Km in the past 9 years.

## ROADS FOR PROSPERITY

Over 4,600 Km of National Highways were constructed in Karnataka with an investment crossing ₹ 1 lakh crores. 3 Greenfield corridors being built under the Bharatmala Pariyojana pass through Karnataka. Around ₹ 63,304 crores have been approved under the Bharatmala Phase-I project for the development of a National Highways corridor of 2,059 Km in Karnataka. Modiji also laid the foundational stone of South India's first industrial corridor in Tumakuru as part of the Bengaluru - Chennai Industrial Corridor.

## CENTRAL'S FINANCIAL ASSISTANCE TO KARNATAKA

Central transfers to Karnataka have increased substantially over the years. Tax devolution from 2014-24 was ₹ 2,95,818 crores, an increase of 262% from ₹ 81,791 crores in the 2004-14 period. Grants in aid from the central government to Karnataka have also increased by 290% from ₹ 60,776 crores in 2004-14 to ₹ 2,36,955 crores in 2014-24. Apart from this, special assistance to Karnataka for capital investments (50-year interest-free loans where the Centre bears the interest costs) is a total of ₹ 10,041 crores for the period 2020-25.

## RAILWAYS FOR DEVELOPMENT

Listening to the woes of the common Indian, the government has taken huge steps to improve the choked infrastructure. To boost transportation,

## FLAGSHIP SCHEME

## KARNATAKA

Jan Dhan Accounts	1.9crore (56% women)
PM Mudra	₹ 2.7 lakh crore disbursed 4.6 crore beneficiaries (69% women, 16% SC/ST)
Standup India	₹ 1,986 crores disbursed 14,800+ entrepreneurs (79% women)
PM SVANidhi	3.7 lakh+ street vendors (54% women, 38% OBC, 24% SC/ST)
PM Jeevan Jyoti Bima Yojana	1.3 crore enrollments (51% women)
PM Suraksha Bima Yojana	Nearly 2 crore enrollments (49% women)
Atal Pension Yojana	37 lakh+ subscribers
Jal Jeevan Mission	53.92 lakh tap water connections provided June 2024: 77.5% rural households covered. 24.23% in 2019
PM Awas Gramin	2.41 lakh houses sanctioned
PM Awas Urban	6.38 lakh houses sanctioned
Swachh Bharat Mission Grameen	49.19 lakh household toilets constructed
Swachh Bharat Mission Urban	3.9 lakh household toilets constructed
Ayushman Bharat	1.72 crore beneficiaries
Jan Aushadhi Kendras	1,214 kendras
Ujjwala beneficiaries	41.4 lakh beneficiaries
PM Garib Kalyan Anna Yojana	4+ crores beneficiaries
PM KISAN beneficiaries	45.98 lakh+ farmers (23% women)

## AIRPORTS FOR GROWTH

Air connectivity in Karnataka has significantly improved, driven by various initiatives under the Regional Connectivity Scheme (RCS), UDAN and other major projects. The state has operationalized seven airports in the past 7 years: Belagavi, Hubballi, Mysuru, Vidyanagar, Kalburgi, Bidar & Shivamogga. Additionally, 57 new air routes have been operationalized, enhancing intra-state and inter-state connectivity.





The NDA government has also given in-principle approval for greenfield airports at Vijayapura and Hassan in December 2022. Moreover, a new Terminal-2 building at Bengaluru International Airport, built at a cost of approximately ₹ 5,000 crore, was inaugurated by PM Modi in November 2022, enhancing international and domestic travel capacity.

UNESCO recognized Bengaluru International Airport as the world's most beautiful airport and awarded it the World Special Prize for Interior 2023. On March 10, 2024, PM Modi laid the foundation stone for new terminal buildings at Hubballi and Belagavi Airports, signalling continued investment in the state's aviation infrastructure.

## INVESTING IN AEROSPACE & TEXTILE MANUFACTURING

The recent infrastructural advancements & industrial initiatives have been announced to provide an impetus to the state's economic growth. The establishment of the PM MITRA Mega Textile Park in Kalburgi, one of the 7 textile parks under the PM Mega Integrated Textile Regions and Apparel (PM MITRA) scheme, is pertinent for Karnataka's blooming textile industry.

The Union Budget 2023-24 increased the grant for PM MITRA parks from ₹ 3 crore to ₹ 200 crore, emphasizing the government's commitment to developing integrated textile hubs that boost employment and industrial output.



In January 2024, PM Modi inaugurated the Boeing India Engineering & Technology Center (BIETC) campus in Bengaluru. Built with an investment of ₹ 1,600 crore, this state-of-the-art facility is Boeing's largest outside the USA, marking a significant milestone in Karnataka's aerospace sector and reinforcing Bengaluru's status as a global aerospace hub. Additionally, the dedication of Hindustan Aeronautics Limited (HAL) Helicopter Factory in Tumakuru by PM Modi in February 2023, India's largest helicopter manufacturing facility, further cements Karnataka's leadership in the aerospace and defence sectors.

## SMART CITIES & RENEWABLE ENERGY

Karnataka's inclusion of seven cities - Belagavi, Bengaluru, Davanagere, Hubballi - Dharwad, Mangaluru, Shivamogga, and Tumakuru - under the Smart Cities Mission highlights the state's urban e-worth around ₹ 15,483 crore, this mission aims to improve urban infrastructure, enhance the quality of life, and promote sustainable urbanization.



NDA Government's approval of new Interstate Transmission System (ISTS) schemes on June 22, 2024, aims to evacuate 9 GW of Renewable Energy (RE) power from Rajasthan and Karnataka. Specifically, the system strengthening scheme in Karnataka will evacuate 4.5 GW of RE power from the Koppal and Gadag areas, with an investment of ₹ 1,354 crore, slated for completion by June 2027. This development supports the state's renewable energy sector, enhancing energy security and promoting sustainable growth.

Further strengthening the state's Educational and Research Infrastructure, PM Modi inaugurated IIT Dharwad in March 2023 within 4 years of laying its foundation stone.

## STRENGTHENING THE WEAKEST SECTIONS OF THE SOCIETY

The NDA government has significantly contributed to social upliftment in Karnataka by enhancing healthcare and education infrastructure and improving access to quality education and healthcare for the state's residents. A look at what the flagship schemes have achieved shows a clear picture of the NDA gov't's interest and goodwill towards Karnataka.

Overall, the combination of social welfare schemes with a push towards industrialization will lead to higher productivity, better quality of life, and in turn better economic activity. Collectively, these initiatives not only enhance Karnataka's industrial and infrastructural capabilities but also position the state as a key player in India's economic growth, innovation, and sustainability efforts.

*Author:* **ARVIND BELLAD**

*Member of Legislative Assembly, Hubballi-Dharwad (W)*



# IMPROVING THE 'GYAN' FOR VIKSIT BHARAT

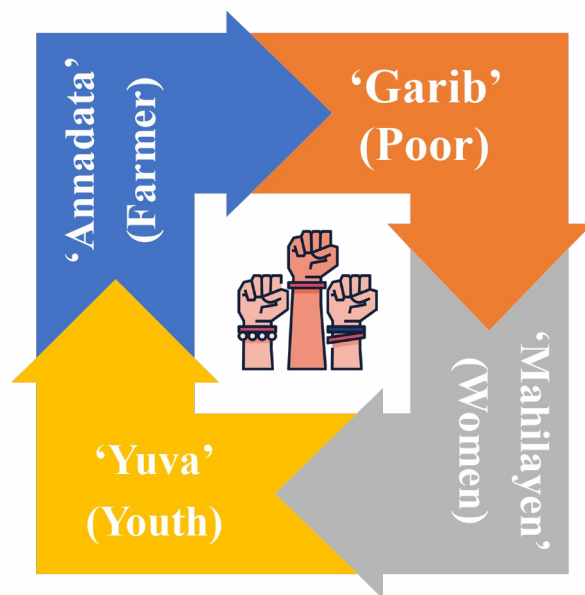
On 15<sup>th</sup> Aug 2023, Shri Narendra Modi spoke about the 4 varnas of today's Bharat - GAREEB, YUVA, ANNADATA & NAARI (GYAN). He eloquently explained his vision for these 4 pivotal groups to address India's diverse socio-economic challenges. This year the Finance Minister, Smt. Nirmala Sitharaman, has kept the theme of the Union budget in line with the Prime Minister's vision. The budget has sensed the pulse of the nation and dived deep into solving these 4 groups' problems. NDA has aimed to promote inclusive growth and equitable development across the country through targeted govt policies and initiatives focusing on GYAN.

## GAREEB: A RESPONSIBILITY, NOT A BURDEN ANYMORE!

Uplifting the poor is crucial for any society's progress and stability. Any advanced civilization will focus on the equitable distribution of resources and reduce the exploitation of socio-economically vulnerable groups. Having understood this, the Modi government has pushed for bridging the divide between the rich and the poor. This is reflected in the Union budget FY25 where several provisions have been made for the upliftment of the poor. A substantial allocation of ₹ 2.66 lakh crores have been earmarked for rural development, including rural infrastructure, this year. The PM Anna Yojana scheme providing free ration to 80 crore poorest Indians will continue for the next 5 years. An additional 3 crore houses will be constructed under the PM Awas Yojana in both rural and urban areas with a dedicated investment of ₹ 10 lakh crores. To increase the penetration of financial inclusion, over 100 new India Post Payment Bank branches will be established in the Northeast region. Furthermore, the PM Janjatiya Unnat Gram Abhiyan will benefit 5 crore tribals across 63,000 villages. As Mahatma Gandhi said, "To serve our villages is to establish true Swaraj. Everything else is but an idle dream!"

## YUVA: THE POWER BEHIND VIKASIT BHARAT!

This year's budget has made significant efforts to boost employment and skilling opportunities for the youth,



with a focus on providing extensive support across various sectors. This includes the Prime Minister's Package of 5 Schemes, which has been allocated a central outlay of ₹ 2 lakh crore over a 5-year period in the hopes of aiding 4.1 crore youth. For the current year, ₹ 1.48 lakh crore has been specifically allocated to enhance education, employment & skilling initiatives.

The following schemes have been announced to provide relief to the youth who are entering the job market or actively seeking skills training:

- **1<sup>st</sup> Scheme (For First Timers):** Provides a 1-month wage to individuals newly entering the workforce in all formal sectors. This aims to support the initial phase of employment and encourage formal sector job entry.
- **2<sup>nd</sup> Scheme (Job Creation in Manufacturing):** Offers incentives directly to both employees and employers by subsidizing EPFO contributions in the first 4 years of employment. This is intended to boost job creation in the manufacturing sector.
- **3<sup>rd</sup> Scheme (Additional Employment Coverage):** Reimburses employers up to ₹ 3,000 per month for 2 years towards EPFO contributions for each additional employee hired with a salary below ₹ 1 lakh per month. This scheme supports broad employment growth across various sectors.
- **4<sup>th</sup> Scheme (Skilling):** Aims to skill 20 lakh youth in collaboration with state governments and industries over 5 years, enhancing employability and aligning skills with industry needs.
- **5<sup>th</sup> Scheme (Internship Opportunities):** Launches a comprehensive scheme to provide internship opportunities in 500 top companies for 1 crore youth over 5 years, offering practical experience and enhancing career prospects.

Apart from the 5 mainstream schemes launched to provide job security and opportunities to upskill, financial support for higher education is provided

through loans of upto ₹ 10 lakh for studies in domestic institutions. To make higher education more accessible and affordable, e-vouchers are issued annually to 1 lakh students, offering an interest subvention of 3% on the loan amount. Additional initiatives from 2014 to 2023 further uphold the NDA govt's commitment to fostering employment and skill development. The Startup India Scheme promotes entrepreneurship by offering financial support, mentorship, and regulatory ease. The Skill India Mission focuses on skilling and reskilling youth to align with industry needs, while the Pradhan Mantri Kaushal Vikas Yojana provides industry-relevant training to enhance employability. These efforts collectively contribute to economic growth and career advancement for the youth.

### **ANNADATA: THE BACKBONE OF THE NATION!**

The NDA government continues to build on its existing farmer-focused initiatives with new initiatives that support farmers and enhance farm productivity. Financial support will be provided to establish a network of nucleus breeding centres for shrimp broodstocks, facilitating shrimp farming, processing, and export through the National Bank for Agriculture and Rural Development (NABARD). This is in line with the Neel Kranti Mission under the Ministry of Fisheries, Animal Husbandry, and Dairying, which aims to increase the productivity of aquaculture and fisheries. Additionally, the government will release 109 new high-yielding and climate-resilient varieties of 32 field and horticulture crops and develop large-scale clusters for vegetable production. This effort complements the Pradhan Mantri Fasal Bima Yojana, which offers insurance coverage to farmers against crop loss due to natural calamities, ensuring that they can adopt these new varieties without undue risk. Another noteworthy initiative is the establishment of 10,000 need-based bio-resource centers which will support farmers and enhance agricultural practices across the country.

The Polavaram Irrigation Project is a significant step towards ensuring the nation's food security. This project, along with development in the Kopparthi area within the Visakhapatnam - Chennai Industrial Corridor and the Orvakal area within the Hyderabad-Bengaluru Industrial Corridor. An allocation of ₹ 11,500 crore has been made for projects such as the Kosi - Mechi intra-state link to support these initiatives. To modernize the agricultural sector, the government will facilitate the implementation of digital public infrastructure in agriculture. This initiative, aiming to cover farmers and their lands within 3 years, aligns with the Digital India program, ensuring that farmers benefit from the latest technology and digital tools to improve their practices. These 5 new initiatives aim to develop agriculture and allied sectors by promoting

innovation and increasing productivity. The budget also hopes to aid the transition of 1 crore farmers to natural farming within 2 years, promoting sustainable agricultural practices. By linking these new schemes with existing ones, the Modi-led NDA government is ensuring a holistic approach to agricultural development, benefiting farmers across the nation.

### **NARI: THE ENERGY DRIVING EVERY HOUSEHOLD!**

This Union budget saw a 37.33% increase in the allocation for the Gender Budget in FY25. A total of ₹ 3.27 lakh crores has been earmarked for schemes benefiting women, a significant jump from the ₹ 2.38 lakh crores allocated in 2023-24. Keeping up the promises made in their election manifesto, the government plans to establish working women's hostels in collaboration with industry and set up creches to increase women's participation in the workforce. Additionally, women-specific programs will be organized and market access to women's Self-Help Groups (SHGs) will be promoted.

The limit of MUDRA loans will be enhanced to ₹ 20 lakhs from the current ₹ 10 lakhs under the 'Tarun' category. Till now, ₹ 28.9 lakh crores have been disbursed under the PM MUDRA Yojana. It has benefited 48.6+ crores Indians of which 68% are women. PM Awas Yojana builds pucca houses for the underprivileged. In a creative twist, it provides the deed of the house to the woman to ensure their financial security and to prevent misuse of funds. More than 2.94 crore and 1.18 crore houses have been sanctioned under PM Awas Yojana Gramin and Urban, respectively. 3 crore additional houses under the PM Awas Yojana in Rural and Urban areas have been announced. Under the PM Awas Yojana Urban 2.0, the housing needs of 1 crore urban poor and middle-class families will be addressed with an investment of ₹ 10 lakh crores. Additionally, a provision of interest subsidy to facilitate loans at affordable rates is also planned. An increased focus on implementing schemes like PM Vishwakarma, PM SVAnidhi, National Livelihood Missions, and Stand-Up India to support these economic activities of women entrepreneurs and SHGs was also announced. It is a matter of pride that the first female full-time Finance Minister has rightfully recognized that women's empowerment is not just a women's issue, it is a societal issue that affects everyone directly or indirectly.

Truly, this government walks the talk on its motto of Sab Ka Saath, Sab Ka Vikas!

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# BUDGET 2024-25

## A FOUNDATION FOR VIKSIT BHARAT

**T**he government's ambitious vision to transform Bharat into a developed nation by 2047, its 100<sup>th</sup> year of independence has received full-blown support in this year's Union Budget FY25. Modi's vision encompasses holistic development and improvement of quality of life for all strata of society. But, most importantly, this year's budget set the tone for the next 25 years by focusing attention on the hitherto neglected areas - both geographically and sectorally.

### UPGRADING URBAN INFRASTRUCTURE

The NDA government has undertaken a massive infrastructure and urban development drive. Infrastructure is currently allocated 3.4% of India's GDP, indicating the government's focus on boosting this sector for overall economic growth. A key component of this is the '1 Crore Awas' target under PM Awas Yojana 2.0, aiming to provide housing for urban poor and middle-class families. To enhance urban living, the government is introducing transit-oriented development plans for 14 major cities and a framework for brown-field redevelopment.

Additionally, promoting water supply, sewage treatment, and solid waste management in 100 large cities has been made a priority.

### PURVODAYA PLAN FOR UPLIFTING EAST INDIA

To boost rural connectivity, the fourth phase of PM Gram Sadak Yojana aims to connect 25,000 rural habitations with all-weather roads. The government is also encouraging states to lower stamp duties for properties purchased by women, thereby promoting women's property ownership. The government is also prioritizing regional development.

A significant allocation of ₹ 1.5 lakh crore as long-term interest-free loans to states will support resource allocation. This is particularly evident in the 'Purvodaya' plan, aimed at harnessing the potential of resource-rich eastern Indian states like Bihar, Jharkhand, West Bengal, Odisha, and Andhra Pradesh. ₹ 26,000 crore is committed for road projects and ₹ 21,000 crore power plant allocated for Bihar. The budget also allocates special financial support of ₹ 15,000 crores for the development of Andhra Pradesh's capital, Amaravati.

Industrial development is another focus area. The government is promoting the development of 100 'plug and play' industrial parks in partnership with states and the private sector. To further industrialize specific regions, the National Industry Corridor Development Program is developing 12 industrial parks.

### CLEAN ENERGY FUTURE FOR A SUSTAINABLE BHARAT

The Modi-led NDA government has unveiled a comprehensive policy document outlining the 'energy transition pathways' that aim to balance economic growth, employment generation, and environmental sustainability. This strategic approach underscores India's commitment to addressing climate change while ensuring the well-being of its citizens. To bolster its clean energy portfolio, the government is actively promoting nuclear energy. A key initiative involves partnering with the private sector to research and develop Bharat Small Modular Reactors and explore advanced nuclear technologies. The establishment of Bharat Small Reactors is a historic step in this direction.

To accelerate the adoption of renewable energy, the government has introduced the ambitious '1 crore PM Surya Ghar' scheme. Under this program, households will receive free electricity for up to 300 units by installing rooftop solar plants with government subsidy. Additionally, a joint venture between NTPC and BHEL will establish an 800 MW commercial plant, demonstrating the government's commitment to large-scale renewable energy projects. Another major infrastructure project is the 2400 MW power plant at Pimpri, with an investment of ₹ 21,400 crore.

To enhance energy efficiency and reduce carbon emissions, the government is supporting micro and small industries in transitioning to cleaner energy sources. Financial incentives and investment-grade energy audits are being provided to facilitate this shift. The govt has initiated energy audits in 60 industrial clusters and plans to expand this initiative to 100 clusters in the future. These clusters serve as hubs for industrial activity and offer a concentrated approach to promoting energy efficiency. To further support the domestic renewable energy manufacturing sector, the government has implemented custom duty changes. Import duties on solar glass have been increased from nil to 10% to encourage local production. Conversely, duties on specified capital goods used in solar cell and module manufacturing have been reduced from 7.5% to nil to boost domestic manufacturing capabilities.



Similarly, import duty on tinned copper interconnect, a crucial component in solar cell and module production, has been increased from nil to 5%. These measures aim to create a conducive environment for the growth of India's solar energy manufacturing industry, reducing reliance on imports, and generating employment opportunities. These initiatives collectively demonstrate India's strong resolve to achieve its energy and climate goals while fostering economic growth and creating sustainable livelihoods.

## **STRENGTHENING MSMEs TO GROW MANUFACTURING JOBS**

The government is making significant efforts to support Micro, Small & Medium Enterprises (MSMEs). The MUDRA loan limit under the Tarun category has been increased to ₹ 20 lakh, providing easier access to credit for young entrepreneurs. To further streamline the onboarding process, the threshold for businesses has been reduced from ₹ 500 crores to ₹ 250 crores. To enhance its reach, the Small Industries Development Bank of India (SIDBI) plans to open 24 new branches, expanding its service coverage to 168 major cities. SIDBI plays a crucial role in providing financial assistance and support to MSMEs in India. Further recognizing the challenges faced by MSMEs, particularly during economic stress, the govt has introduced a credit guarantee scheme specifically for the manufacturing sector. Additionally, the 'Vivad se Vishwas' scheme offers a simplified process for resolving pending income tax disputes, providing much-needed relief to businesses. To facilitate easier access to credit for MSME machinery and equipment purchases, a credit guarantee scheme without collateral or third-party guarantees will be introduced. In the food processing sector, the establishment of 50 multi-product food irradiation units and 100 food quality and food testing labs will enhance food safety and quality standards for MSMEs.

To address the housing needs of industrial workers, the govt is promoting rental housing with dormitory-type accommodations through the public-private partnership model, supported by a viability gap fund. To promote exports and support MSMEs, the govt is establishing e-commerce export hubs on a public-private partnership model. This initiative will enable small businesses & traditional artisans to access global markets. These initiatives collectively demonstrate the NDA govt's commitment to cultivating a nurturing environment for MSME's all-round growth.

## **VAIGYANIK BHARAT**

India is making significant investments to cement its position as a global space leader. A dedicated venture capital fund of ₹ 1000 crore has been established to

propel the space economy, aiming for a 5-fold expansion in the next decade. This strategic move will nurture innovation, support emerging space startups, and enhance India's global space market share. Recognizing the critical role of minerals in key industries, the government has implemented a full customs duty exemption on 25 critical minerals. This move will support sectors such as nuclear energy, renewable energy, space, and defense, strengthening India's self-reliance and technological capabilities. To foster a robust research & development ecosystem, the government has committed ₹ 1 lakh crore to a financial fund pool. This initiative will drive private sector innovation and research, stimulating advancements across various sectors. Also, the operationalization of the Anusandhan National Research Fund is a crucial step towards promoting basic research and prototype development. This fund will provide much-needed support to researchers and scientists, fostering a culture of innovation and discovery.

These initiatives altogether demonstrate India's strong commitment to technological advancement, research, and development. By investing in these areas, India will emerge as a diverse technology hub.

## **CONCLUSION**

For decades sectors such as MSME industries suffered from gross neglect by govts. They did not realize that the MSMEs were the backbone this nation needed to build a resilient manufacturing sector and become less import-dependent. Thanks to the increased focus of the Modi-led NDA govt, the MSME sector has finally received the attention that it deserves. This is a sector that can create millions of jobs with low-skill and low-entry barriers for the growing percentage of youth who are joining the workstream. Similarly, scientific research & development was limited to a few govt-run institutions and the private sector was not encouraged to be involved actively. But with the new focus on "Vigyan Bharat" by the NDA govt, this vital area for development has received a shot in the arm.

Finally, the dependence on energy from other countries puts the nation in a vulnerable position at times of war and diplomacy. This is where the enhanced focus on creating sustainable energy generation and distributed power development initiatives of the NDA govt will create a sufficient moat for our nation to deal with adverse circumstances like war times and ensure a surplus of power for public consumption in peacetime. That is why, this budget can claim to lay the foundation for a Vikasit Bharat by 2047.

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## NEWS IN PICS

### INTERACTION with the FINANCE MINISTER Smt. Nirmala Sitharaman on Union Budget 2024-25.



An interactive session was organized by the Economic Cell of BJP Karnataka, featuring Hon'ble Finance Minister Smt. Nirmala Sitharaman. The event was held on 28 July 2024 at Latit Ashok - Bengaluru. The interactive session brought together a significant gathering of over 400 delegates from diverse sectors representing Industrial bodies, Startups, Tourism, Hotel Association, Film Chamber, and professionals including Chartered Accountants, Advocates, Doctors, IT Professionals, etc. The interaction lasted for more than 60 minutes.







The event commenced with a welcome address by Shri Prashanth G. S., State Convenor of the Economic Cell. His address set the tone for the session, emphasizing the importance of such interactions in fostering dialogue between the government and various sectors of the economy. He highlighted the session's goal of aligning sector-specific insights with national economic policies. He provided a comprehensive overview of the Union Budget. He detailed various initiatives and reforms introduced in the budget, highlighting their potential impact on different sectors and the overall economy. His insights provided the delegates with a clearer understanding of the government's strategic direction and the anticipated outcomes of these fiscal policies.

Guest of Honour Mr. Ramesh Chandra Lahoti, President of FKCCI, in his speech, acknowledged the efforts of the Union Finance Ministry in creating a

conducive environment for growth and stressed the importance of continuous engagement between policymakers and the business community.

Shri S. Dattatri, State Co-ordinator of All Cells of BJP Karnataka, delivered his speech and his presentation focused on the long-term goals outlined in the budget, particularly the vision of transforming India from a developing nation into a developed nation.

Following the overview, Hon'ble Finance Minister Smt. Nirmala Sitharaman took questions from the delegates, offering clarifications and engaging in discussions on how the budgetary measures would address current economic challenges and future growth opportunities. Her interaction was not only informative but also demonstrated a strong commitment to understanding and addressing the concerns of various sectors.