

AIR Spotlight: Union Budget 2023-24

AIR Spotlight is an insightful program featured daily on the All India Radio News on air. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation.

This article is about the discussion on: **Union Budget 2023-24.**

Participants -

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Context - The Union Finance Minister Nirmala Sitharaman presented the Union Budget for the fiscal year 2023-24 on February 1, 2023.

Introduction -

The Union Budget is also known as the Annual Financial Statement. Article 112 of the Constitution of India lays down that it is a statement of the estimated expenditure and receipts of the Government for a particular year.

- The Budget is presented on 1st February (until 2016, it was presented on the last working day of February) so that it can materialise before the commencement of the new financial year which starts on 1st April.
- The Union Budget is divided into Revenue Budget and Capital Budget.
- The [Economic Survey](#) of India is released ahead of the presentation of the Budget.
- The Budget has to be passed by the Lok Sabha before it can come into effect.

Union Budget 2023 - 24

The Union Budget 2023 focused on seven priorities, called the “Saptrishis guiding us through Amrit Kaal”. These are: inclusive development, reaching the last mile, infrastructure and investment, unleashing the potential, green growth, youth power and the financial sector. The budget envisions a prosperous and inclusive India in which fruits of development reach all regions and citizens, especially youth, women, farmers, OBCs, STs and SCs.

- The Economic Survey asserts that recovery from the pandemic has been complete as the country remains the fastest-growing major economy in the world.
- However, the global headwinds are expected to dampen trade growth and may decrease the country's export trade.

Read the [Union Budget 2023](#) in detail in the link.

Economic Empowerment of Women through SHGs:

One of the top focussed areas of the budget is women empowerment.

- 81 lakh SHGs would be supported by the government to become large producer enterprises. The [Deen Dayal Antyodaya Yojana](#) helped in the mobilisation of rural women into 81 lakh Self Help Groups (SHGs).
- SHGs have the potential to play a transformative role in engaging women and will help in further expanding women's labour force participation in the near future.

Capital Expenditure:

The capital investment outlay has been increased by 33 per cent to Rs 10 lakh crore, which will account for 3.3 per cent of the GDP. In a boost for states, the 50-year interest-free loan to state governments will continue for a year more. The [NITI Aayog's](#) state support mission will be continued for three years.

- The government's thrust on Capex, particularly the infrastructure-intensive sectors like roads and highways, railways and housing and urban affairs has long-term implications for growth.
- Capex in central government and central public sector in India takes place through two channels—from the budget and through Internal and Extra-Budgetary Resources (IEBR) of public sector enterprises.

From manual scavenging to mechanical scavenging:

100% mechanisation will be introduced in the cleaning of septic tanks and sewers.

- All cities and towns will be enabled for 100% mechanical desludging of septic tanks and sewers to transition from man-hole to machine-hole mode.

MSMEs (Micro, Small and Medium Enterprises)

MSMEs play a critical role in India's economic growth and development. These are the backbone of the country and the growth engines of the economy.

- In a big relief to covid hit [MSMEs](#), an infusion of Rs 9,000 cr into the corpus to revamp the Credit Guarantee Scheme for MSMEs has been announced in the Union Budget 2023-24.
- This will enable additional collateral-free guaranteed credit of Rs 2 crore and reduce the cost of credit by 1%.

- Also, the government has provided relief to MSMEs by announcing the [Vivad se Vishwas scheme](#). Under this, in cases of failure by MSMEs to execute contracts during the Covid period, 95% of the forfeited amount relating to bid or performance security, will be returned to them by government and government undertakings.
- Tax relief has also been provided to MSMEs.

PM - PVGT Mission:

- Pradhan Mantri PVTG (Particularly Vulnerable Tribal Groups) Development Mission was announced in the Union Budget 2023-24 to focus on improving the overall socio-economic conditions of 75 PVTG across the country.
- An expenditure outlay of Rs 15,000 cr has been announced for the mission.

Conclusion - The Indian economy is viewed as ‘a bright star’ amid a global slowdown, outperforming its peers with an estimated 7 percent growth rate in FY 2023 – the highest among emerging economies. In fact, India has jumped to becoming the fifth largest economy in the world from ranking 10th largest in less than a decade.