

GENERAL BUDGET 2000-2001

PART –A HIGHLIGHTS

Strategy

To abolish poverty through job creating growth of 7% to 8% per annum by :

- Strengthening foundations of growth of rural economy.
- Modernising traditional industries like textiles, leather, agro-processing and the Small Scale Industry Sector.
- Harnessing the revolutionary potential of knowledge-based industries like infotech, biotechnology and pharmaceuticals.
- Mounting sustained assault on infrastructure bottlenecks in power, roads, telecom, railways, ports and airways.
- High priority to Human Resource Development through education, health and other social services.
- Strengthening the external sector through high export growth, high foreign investment and prudent debt management.
- Establishing a credible framework for fiscal discipline.

Agriculture and Rural Development

- Rural Infrastructure Development Fund VI enhanced from Rs. 3,500 crore to Rs. 4,500 crore and interest rates reduced by half per cent.
- Credit flow to agriculture through institutional channels to increase to Rs. 51,500 crore in the coming year as compared to the estimated Rs. 41,800 crore this year.
- Major thrust to Micro-Finance for alleviating poverty. NABARD/SIDBI to cover one lakh Self-Help Groups.
- A Micro Finance Development Fund of Rs. 100 crore to be created in NABARD.
- Kissan Credit Cards coverage to be enlarged from about 50 lakhs to cover additional 75 lakh farmers.
- 28 ongoing Centrally Sponsored Schemes for agricultural development are to be integrated into one comprehensive programme.
- A National Commission on Land Use Policy to be set up.
- New initiatives for universalisation of elementary education include a new scheme “Sarva Shiksha Abhiyan” to enable enrolment of all children by 2003.
- National Literacy Mission to be revamped to achieve 75 per cent literacy by 2005.

- A new scheme “Pradhan Mantri Gramodaya Yojana” to be launched for implementation of time-bound programmes for rural people. Rs. 5000 crore provided for the scheme.

Rural Housing and Social Security to Poor

- 25 lakhs dwelling units to be provided in rural areas.
- Indira Awas Yojana to provide more than 12 lakhs houses for the people below poverty line. Rs. 1,501 crore provide for this.
- Assistance to construct 1 lakh houses for families below annual income of Rs. 32,000.
- National Housing Bank to provide refinance for construction of 1.5 lakh houses under Golden Jubilee Rural Housing Finance Scheme.
- Rs. 100 crore additional equity support to HUDCO for building 9 lakh houses.
- A new Group Insurance Scheme “Janashree Bima Yojana” to be introduced to provide social security. The insurance cover will be Rs. 20,000 in case of natural death, Rs. 50,000 in case of accidental death or permanent disability and Rs. 25,000 for partial permanent disability.

Population Health and Environment

- Allocation for Reproductive and Child Health Programme to be increased to Rs. 1,051 crore from the existing Rs. 677 crore.
- Funds for developing Indian System of Medicine and Homeopathy doubled to Rs. 100 crore.
- Programmes for regeneration of mangroves, shelter belts, bamboo forests to preserve rural environment. Eco-tourism to be encouraged.

Empowerment of Women

- Task force to review all existing legislation and schemes for enhancing role of women in economy.
- Year 2001 declared “Women’s Empowerment Year”.

Small Scale Industries

- Limit of collateral free loans for tiny sector increased from Rs. 1 lakh to Rs. 5 lakh.
- Composite loan limit of SIDBI and banks f

- or small borrowers raised from Rs. 5 lakh to Rs. 10 lakh.
- Rs. 100 crore provided for Credit Guarantee Scheme for SSI through SIDBI to cover loans upto Rs. 10 lakhs.
- SIDBI's Technology Development Modernisation Fund Scheme extended for another 3 years.
- Khadi and Village Industries Commission to introduce a common brand name for its products. A professionally managed marketing company to come up.

Science and Technology

- Rs. 50 crore provided in the budget of the Technology Information Forecasting and Assessment Council for taking up technology vision projects and boost cooperation between Universities and R&D Institutions.
- Rs. 50 crore provided for New Millennium Indian Technology Leadership Initiative in the budget of Department of Science and Industrial Research.

Capital Market

- Tax regime liberalized and Securities and Exchange Board of India (SEBI) to be made single-point nodal agency for guidelines.
- Indian firms to get more flexibility for undertaking capital account transactions, especially for acquisitions for business abroad in knowledge based sector.
- Access of Indian companies to foreign portfolio investment made more flexible.
- Automatic route for overseas investment by Indian corporates liberalised.

Banking and Finance

- Government not to close any Public Sector Bank. Weak banks to be restructured.
- Banks to be allowed to raise capital from the market to expand operations and for meeting capital adequacy norms.
- More Debt Recovery Tribunals and Debt Recovery Appellate Tribunals to be set up.
- A new Deposit Insurance Bill to replace the existing Deposit Insurance and Credit Guarantee Act of 1961.

Reforms in Public Sector Units

- Potentially viable PSUs to be restructured and revived.
- PSUs which cannot be revived are to be closed down.
- Government equity in all non-strategic PSUs to be brought down to 26% and below.
- Workers' interest to be protected.

Infrastructure Development

- Speedy implementation of PM's National Highways Development Project at a cost of Rs. 54,000 crore.
- Plan outlay for Central PSUs in the power sector raised from Rs. 7,626 crore to Rs. 9,194 crore.
- Progressive corporatisation of public sector service providers in areas like telecommunications, ports and airports.

Defence

- Allocation raised to Rs. 58,587 crore from Rs. 45,694 crore last year.

Subsidies

- Allocation of foodgrains to below poverty line families under PDS doubled.
- No allocation of sugar under PSD for Income Tax assesses.
- Fertilizer subsidies to be rationalised.

North-East Region

- Technology Mission for horticulture development in North-Eastern States.
- 50 more Industrial Training Institutes and 446 Computer Information Centres in the next two years.

Annual Plan

- Central Sector Plan Outlay increased from Rs. 1,03,521 crore to Rs. 1,17,334 crore.
- Gross Budget support for Plan increased from Rs. 77,000 crore to Rs. 88,100 crore.