



# Budget 2021 Highlights: Health and Wellbeing

## Why in News

Recently, the Minister of Finance presented the Union [Budget](#) 2021-22. This was the **first ever digital Union Budget**.

- It is based on **six pillars** - health and well-being, physical and financial capital and infrastructure, inclusive development for aspirational India, reinvigorating human capital, innovation and R&D, and 'Minimum Government, Maximum Governance'.
- This section deals with the proposals for the Health and Wellbeing Sector.

## Budget and Constitutional Provisions

- According to **Article 112** of the Indian Constitution, the Union Budget of a year is referred to as the **Annual Financial Statement (AFS)**.
- It is a statement of the estimated receipts and expenditure of the Government in a **Financial Year** (which begins on 1<sup>st</sup> April of the current year and ends on 31<sup>st</sup> March of the following year).
- Overall, the Budget contains:
  - Estimates of revenue and capital receipts,
  - Ways and means to raise the revenue,
  - Estimates of expenditure,
  - Details of the actual receipts and expenditure of the closing financial year and the reasons for any deficit or surplus in that year, and
  - The economic and financial policy of the coming year, i.e., taxation proposals, prospects of revenue, spending programme and introduction of new schemes/projects.
- In Parliament, the Budget goes through **six stages**:
  - Presentation of Budget.
  - General discussion.
  - Scrutiny by [Departmental Committees](#).
  - Voting on Demands for Grants.
  - Passing an Appropriation Bill.
  - Passing of Finance Bill.
- The **Budget Division of the Department of Economic Affairs** in the Ministry of Finance is the nodal body responsible for preparing the Budget.
- The **first Budget** of Independent India was presented in **1947**.

## Key Points

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# in the Union Budget '21-22

The highlights from finance minister Nirmala Sitharaman's budget that sought to get India back on the road to recovery after the Covid-19 challenge while not taking the foot off the growth accelerator

## HEALTH, WELL-BEING

**₹2,23,846 cr**

Spends planned for health and well-being, including for water and sanitation schemes. This is up 137% from last fiscal (₹94,452 crore)

**₹35,000 cr** Of this has been set aside for Covid-19 vaccines alone, which can buy over billion doses



## NOMINAL GDP GROWTH

**14.4%**

Projected rate of growth for India's nominal gross domestic product (GDP) for the next financial year for budget calculations compared to the 15.4% projected by the Economic Survey tabled in Parliament on Friday

The GDP growth projection for the 2021-22 fiscal is among the most important figures and it is the reflection of the speed at which the government expects the economy to recover



## BORROWING FROM MARKET

**₹9,67,708 cr**

The amount government has said it will borrow from the market through G-Sec and treasury bills to fund its deficit in the 2021-22 fiscal. Market borrowings for the current financial year was raised to ₹12,73,788 crore as against the Budget Estimate of ₹5,35,870 crore — this is an increase of 137%



## FISCAL DEFICIT

**6.8%**

The proportion of the GDP the government estimates will be the fiscal deficit in FY22

**9.5%**

The fiscal deficit estimated for FY21, because of the rise in expenditure on account of the Covid-19 pandemic and moderation in revenue during this fiscal year



## FDI IN INSURANCE

**74%**

The government's proposal to increase foreign direct investment (FDI) limit in the insurance sector and allow foreign ownership and control with safeguards. This was earlier capped at 49%. Experts said this would attract greater capital inflow from abroad to help enhance insurance penetration in the country



## AGRICULTURAL CESS

**₹30,000 cr**

The amount expected to be raised through imposition of Agriculture Infrastructure and Development Cess (AIDC) of ₹2.5 per litre on petrol and ₹4 per litre on diesel. However, this hike is likely not to add any burden on to the consumer because the 2021-22 Union Budget has also proposed the reduction of basic customs duty on these items



## MSMEs SECTOR

**₹15,700 cr**

The amount that has been set aside by the government for the upcoming financial year for the Micro, Small and Medium Enterprises (MSME) sector. This is more than double the budget estimated allocation in the financial year 2020-21 — ₹7,572.20 crore. Meanwhile, the revised estimate for FY21 for the second is ₹5,664.22 crore

- **Budget Outlay:** Outlay for Health and Wellbeing in 2021-22 as against 2020-21 is an **increase of 137%**.
- **Major Steps:** Steps being taken for improving health and wellbeing:
  - **Vaccines:**

**PM AatmaNirbhar Swasth Bharat Yojana**

A new Centrally Sponsored Scheme with an outlay of about ₹ 64,180 crore, over 6 years

**Main Interventions :**

- Support for 17,788 rural and 11,024 urban Health and Wellness Centers

**Setting up of :**

- Integrated public health labs in all districts and 3382 block public health units in 11 states
- Critical care hospital blocks in 602 districts and 12 central institutions
- 15 Health Emergency Operation Centers and 2 mobile hospitals
- A national institution for One Health, a Regional Research Platform for WHO South East Asia Region, 9 Bio-Safety Level III laboratories and 4 regional National Institutes for Virology

- Rs. 35,000 crore for [Covid-19 vaccine](#) in Budget Expenditure (BE) 2021-22.
- The Made-in-India [Pneumococcal Vaccine](#) to be rolled out across the country.
- **Health Systems:**
  - PM **AatmaNirbhar Swasth Bharat Yojana** - a new centrally sponsored scheme to be launched, in addition to [National Health Mission](#) (NHM).
- **Nutrition:**
  - [Mission Poshan 2.0](#) to be launched to improve nutritional outcomes across 112 aspirational districts.
- **Universal Coverage of Water Supply:**
  - [Jal Jeevan Mission \(Urban\)](#) - **to be launched** - to bring safe water to 2.86 crore households through tap connection.
- **Swachh Bharat, Swasth Bharat:**
  - Strengthening of **Urban [Swachh Bharat Mission 2.0](#)**.
- **Clean Air:**
  - **Rs. 2,217 crore to tackle air pollution**, for 42 urban centers with a million plus population.
- **Scrapping Policy:**
  - **Voluntary** vehicle scrapping policy **to phase out old and unfit vehicles**.

**[Source:PIB](#)**