

Statement of Hon'ble Chief Minister of Tamil Nadu,
Thiru Edappadi K. Palanisamy on the Union Budget
presented on 1st February, 2018

The Union Budget 2018-19 has been presented by the Union Finance Minister today. This is the first budget in the post-GST regime and the last full budget for the present Government. I commend the Hon'ble Union Finance Minister for presenting the Budget which is fairly balanced, growth-oriented, that focuses on development of agriculture, rural development and health sector.

We welcome the decision of the Government of India to give a big push to the agricultural and allied sector. Enhancement of the minimum support price for all crops to cover atleast 1.5 times that of the production cost will benefit the farmers in a big way. However implementing this is a big challenge. The constitution of the Fisheries & Aquaculture Infrastructure Development Fund and Animal Husbandry Infrastructure Development Fund with a total corpus of Rs.10,000 crores will provide a significant impetus to the agriculture and allied sector. I hope that these funds will be operationalised immediately, along with the Micro Irrigation Fund and Dairy Development Fund, which were announced in last budget. I also appreciate the launching of 'Operation Green' with initial allocation of Rs.500 crores and Bamboo Development Fund with allocation of Rs.1290 crores. We also welcome the proposed liberalisation of exports of agricultural commodities and are

hopeful that the State of Tamil Nadu will benefit from the Mega Food Parks scheme that the Union Finance Minister alluded to in his speech. Doubling the allocation to the agro processing industry will bring more stability and enhance farmers' income. Tamil Nadu has taken the initiative of proactively forming many Farmer Producer Organizations. In the budget, 100% tax deduction has been extended to Farmer Producer Companies with turnover up to Rs.100 crores. We also welcome the move to include command area development under the long term irrigation fund. Overall, there are many initiatives in the agricultural sector, which will benefit the farming community.

The constitution of a dedicated Affordable Housing Fund in the National Housing Bank is a welcome move, but the allocation for the Prime Ministers' Awas Yojana has been reduced in the Budget. While the increase in the investment on infrastructure needs appreciation, the Government of India has given special focus on expanding the capacity of the suburban train systems in Mumbai and Bengaluru. Chennai is expanding faster and needs strengthening of its suburban train system. This has been left out in the Budget. I hope the Union Government will also improve the suburban train system of Chennai.

Government of Tamil Nadu is a pioneer in implementing the Chief Minister's Comprehensive Health Insurance Scheme. I commend the Union Finance Minister for announcing the National Health Protection Scheme that would provide health cover of Rs.5 lakh per family per year for secondary and tertiary

hospitalization. This programme would definitely augment the efforts of the State Government in providing health security to the poor and achieve the Mission of universal health care in the country.

The Union Budget has reduced the rate of corporate tax to 25 percent to companies with turnover of less than Rs.250 crores. This will benefit the Micro, Small and Medium Enterprises. However, the expectations of the MS&ME are far greater and they need to be supported more, as they are the significant contributors to new employment generation.

The tax concession on interest accrual extended to senior citizens is a welcoming announcement. This Government has been requesting the Government of India to reduce the taxation burden on salaried individuals. We had hoped that Government of India would reduce tax on salaried individuals to boost consumption demand and economic growth. While we welcome the standard deduction of Rs.40,000 announced in the budget speech, we feel that this falls short of the expectations of the public.

We were hopeful that the allocation on the National Social Assistance Programme would increase considerably, but it has remained stagnant. We had made an appeal to the Government of India to enhance the pension under the scheme from the meagre Rs.200 or 300 per month to atleast Rs. 1000 per month. However the budget has not addressed this important scheme designed to provide social security to the poor.

Though the Budget has given considerable importance to agriculture, rural development, health etc., the reduction in allocation in some of the sensitive and important schemes like post-matric scholarships for Scheduled Castes, Pradhan Mantri Mathru Vandana Yojana, Skill Development and Livelihood Mission could have been avoided. The requirement of funds under the post-matric scholarship at the national level is very high, but this reduced allocation would further tighten the release to the State Governments. The Government of India could have increased the allocations substantially.

The country is going through a difficult phase of economic development. It needs acceleration and stabilization of the growth momentum. The budget should give a boost to increase investment, generate more jobs. Given these circumstances, this budget is addressing the critical issues effectively and the Union Finance Minister has put his best efforts to present a balanced and growth oriented budget. I hope that this budget will bring fiscal stability to the country and accelerate the economic growth.

K. PALANISWAMI
CHIEF MINISTER OF TAMIL NADU

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