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THE FINE PRINT **SANJEEV KRISHAN**



On track to make India future-ready

With an ear to the ground and a finger on the nation's pulse, the government has taken note of the demands and necessities for accelerating India's growth. The finance minister saved the best for the last, announcing tax relief for the middle class – a welcome step that could inject liquidity into the economy and boost consumption. The Union Budget also puts significant weight behind strengthening the supply side – right from agriculture and manufacturing to services and innovation. The announcements highlighted the intent to create sustainable and equitable growth and put the focus on the heart of India's development – its people.

The Economic Survey released on Friday underlined the need to simplify ease of doing business and provide a stimulus to the economy through deregulation. The emphasis on a light-touch regulatory framework which is grounded in trust indicates that the Centre is taking this call to reduce the compliance burden – to foster entrepreneurship, productivity and drive employment.

Agriculture as a continued focus

This year's budget has the potential to lead to Green Revolution 2.0, strengthening food security, improving farmer incomes, reducing volatility in food prices and controlling inflation. The focus on innovation, skilling, knowledge sharing and introducing global best practices will be a huge enabler. This coupled with improved credit access, irrigation, high-yielding climate-resilient crop varieties and investments in post-harvest infrastructure will provide further impetus to the agri sector. This also opens avenues for the private sector, particularly those engaged in AgriTech, supply chain management and food processing, to make meaningful investments and increase the competitiveness of Indian agriculture at large.

Realising India's demographic dividend

A defining shift in the government's approach to employment has been the transition from being an employment generator to an employment facilitator by fostering an ecosystem that is conducive to upskilling and entrepreneurship. While continuing to invest in physical infrastructure, the budget announced a host of schemes and programmes with private sector partnership to accelerate upskilling across sectors and build skills of the future. From incentivising high employment generating sectors to a policy around GCCs and creating centres in tier-II cities – these initiatives will open up opportunities in rural India. Aiming to uplift the wider population, reduce poverty and create much-needed infrastructure, the budget has focused on improving access to education and healthcare while providing for creative development of urban settlements. It is also heartening to see the government respond to the needs arising from the emergence of new business models by initiating social security measures for gig workers.

Aatmanirbharta in manufacturing

The Budget recognises the importance of MSMEs not just in domestic manufacturing and employment generation but also exports. Credit support through loan guarantees, fund of funds and term loans, combined with supportive capacity building for entrepreneurial and managerial skills and overall knowledge sharing, will further build on this momentum and catalyse growth. The support for traditional industries and needs of the future (clean tech and nuclear), along with the promise of policy support and integration into global supply chains, will help India diversify its export markets while remaining competitive and a key partner for the world. Fostering domestic production and enhancing value chains will further this growth.

As corporations grow, it will be critical that they have access to skilled talent which can help meet demand. While establishing centres of excellence is a welcome step, it is critical to ensure accountability and time-bound implementation, especially given the pace of AI and increasing automation in both manufacturing and services.

Multiplier effect

De-regulation and improving ease of doing business at the Centre and state levels while also creating a competitive federalism environment will have a multiplier effect. From promoting innovation to re-energising FDI – simplification of the regulatory landscape would raise India's global positioning and allow it to take advantage of the impetus towards supply chain diversification and the increasingly fragmented world structure. Encouraging competition and collaboration between states can help ensure economic growth is broad-based and inclusive.

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