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## BUDGET 2025: DRIVING INDIA'S GROWTH IMPERATIVE



EXPERT  
VIEW  
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**H**as India taken its foot off the gas? This question has begun plaguing boardrooms as the reigning “fastest-growing large economy” witnesses a slowdown. While some might say this is cyclical, concerns are rising that this slowdown is symptomatic of deeper structural challenges. The FY25 growth forecasts announced this month have raised warning signs for the Indian economy, underscoring the urgent need for decisive policy interventions.

Economic indicators paint a sobering picture—high inflation, tepid capital inflows and a record trade deficit. Urban consumption, traditionally a dependable growth engine, has been curtailed by stubbornly high food inflation and low wage growth. The possibility of the middle-income traps compounded by concerns of India losing out on its demographic dividend.

Despite improved education levels, nearly a quarter of Indian youth remain outside employment, education or training (NEET)—a troubling statistic that surpasses regional and income-group averages. Equally concerning is the fact that educated youth have higher rates of unemployment.

**Three critical pivots:** Against this backdrop, the upcoming presentation of the Budget in February carries significant weight. Targeted interventions across three pivots will be critical in reviving high growth rates—curbing food inflation, invigorating consumption and private investment, and developing India's talent pool.

India's persistent food inflation demands structural remedies, not just short-term fixes. The call for a second green revolution has grown stronger in recent years. Empowering the Indian Agricultural Research Institute (IARI) and fostering collaboration with India's vibrant start-up ecosystem can help develop agricultural inputs and techniques that lead to higher yields.

Exploring the use of climate-resilient crops and adopting renewable energy for farm equipment, combined with appropriate knowledge-sharing mechanisms for responsible fertilizer and pesticide

use, will promote sustainability while protecting wildlife and water sources.

Public-private partnerships that bring together the strengths of the Indian Space Research Organisation (Isro), telecom operators and startups and provide farmers with timely and exact information and actions could provide much-needed enablement.

**Cutting losses after harvest:** In parallel, there is a need to reduce post-harvest losses. Investments in warehouses, cold storage and transportation infrastructure must be prioritized. Budgetary support that fast-tracks the adoption of the Agri Stack is essential.

Once platform literacy and access have been ensured, the gradual integration of all agri services can streamline access to inputs and agri-infrastructure, improve price discovery and market access, disseminate knowledge and integrate all supporting agricultural schemes, thus eliminating middlemen and reducing inefficiencies.

Consumption is the lifeblood of India's economy, and reviving it is essential to stimulating private investment. The materialisation of industry (and public) expectations of income tax relaxation should help. Another potential means to drive consumption can be the gradual evolution of the implementation of the National Food Security Act—and technology can help!

Transitioning from the distribution of foodgrains to an e-RUPI (India's central bank digital currency) based Direct Benefit Transfer system can help drive consumption across sectors and provide autonomy to the beneficiaries in making their purchase decisions.

Increased consumption, when complemented with targeted support for value-additive and labour-intensive sectors, improved the

ease of doing business through simplified compliance, and support to MSMEs—such as through domestic and international trade shows to improve market access—can help drive private sector investment.

**Upskilling India:** Finally, upskilling India's talent requires stronger accountability and clear timeline demarcations—delays in implementing previously announced initiatives such as employment-linked incentives fuel mistrust in the fiduciary systems.

The World Economic Forum estimates that 60% of the global workforce will require reskilling by 2030, which reiterates the importance of quick action. Building skills by revamping ITIs, improving industry-academia-government collaboration, and undertaking a detailed skill-mapping exercise will help identify and bridge skill gaps.

Industry adoption of initiatives supporting the acquisition of certified skills, including platforms like Study Webs of Active Learning for Young Aspiring Minds (Swayam) and the National Programme on Technology Enhanced Learning (NPTEL), must be encouraged. Structured internships and live projects can further develop soft skills, ensuring graduates are job-ready. An integrated employment stack could act as a centralized recruitment platform, streamlining job searches and strengthening the government's role as an enabler.

**Innovation hub:** Achieving sustainable growth requires broader institutional reforms as well. A centralized innovation hub uniting multiple research organizations can unlock synergies, boost productivity, and attract top talent to India's research ecosystem. While fiscal discipline is essential, being too ambitious and too fast risks stifling growth.

After all, the governmental deficit can also be considered citizens' wealth as long as inflation can be controlled. A modest relaxation of 0.5% in the fiscal deficit target could inject over ₹1.6 trillion into the economy, providing the much-needed stimulus to navigate near-term challenges.

While a single budget cannot resolve every structural issue, continuity in policy, accountability and transparency in execution will be defining success factors. The government must not only acknowledge existing challenges but also commit to upgrading foundational institutions and legal frameworks.

The responsibility of catalysing the next phase of India's growth lies not only with the government but also with the ability of the private sector and people to work towards collective progress—to regain India's momentum.

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