

Rebuilding Growth Forces

Significant push to public investment has been the leitmotif of this Budget



The finance minister has presented a seminal Budget which is forward-looking as well as relevant for the current times and pragmatic in its approach as it treads the delicate path of rejuvenating growth in the economy while addressing the spending priorities within a prudent fiscal framework. The emphasis is on scripting a blueprint for creating an environment of growth which in turn would create jobs and improve overall prosperity. Moreover, it contains far-reaching and comprehensive provisions which are anchored in the macroeconomic situation of the country.

A significant push to public investment has been the leitmotif of the Budget. The spotlight is on capital expenditure, up 35.7% in 2022-23 via higher infrastructure spends, with the intention of crowding in private investment, to facilitate accelerated growth. Sectors such as transport and infrastructure, IT and telecom, urban development, railways and defence have witnessed a significant rise in allocation.

The Budget also announced assistance to states for capital investment and included state projects under the Gati Shakti template, a landmark move to ensure infrastructure spending in the last mile. Besides, the finance minister has put logistics as the centre point in the Budget through significant announcements to upscale this sector. Simultaneously, there has been a reduction in subsidy for food and petroleum to rationalise costs.

Another big positive in the Budget is the conviction in the role of technology and digitisation to deliver governance and emerge as a new-age multiplier for growth. In fact, the renewed focus in the Budget on the use of digitisation for buttressing social themes such as financial inclusion, skill development, agriculture, and health among others is exceptional and would be key to bridging the socio-economic and rural-urban divide in the country.

The focus on digitisation for bolstering skill development in the country is exceptional and would fulfil the aspirations of a young India. The launch of the Digital Ecosystem for Skilling and Livelihood- the DESH-Stack eportal- is laudable and would go a long way towards promoting a creative workforce and providing access to jobs.

Similarly, the establishment of a digital university, built on a networked hub-spoke model, with the hub building cut-

ting edge ICT expertise, would provide the requisite ecosystem for accessing quality universal education. Equally significant is the budget announcement of interlinking of Udyam, e-Shram, NCS and ASEEM portals to provide access to youth for jobs and livelihood. Additionally, the introduction of 'Drone Shakti' curriculum in select ITIs will have a far-reaching impact, especially in the rural economy.

The digitization initiative is also visible in the financial sector. Initiatives such as the sovereign digital currency, an online bill payment system for all central ministries and support for digital payments in the remote areas through the creation of 75 digital bank units of scheduled banks in 75 different districts will drive digital Bharat and underpin the resolve of the government to unleash the digital revolution.

Further, the Budget has retained an agrarian and rural pivot. The Union Budget covers a wide gamut of issues such as credit, MSP, procurement, technology, infrastructure, irrigation, logistics, fisheries, organic farming, and agtech start-ups among others which would contribute significantly towards revitalizing the agriculture sector. The announcements rest on futuristic goals of inclusive development, technology, accelerated digital adoption and R&D.

The step of PPP focused delivery of digital and hi-tech services to farmers will enable a framework for enhanced private participation and investments in extension and value chains. Another noteworthy feature of the budget is to integrate 1,000 more mandis with e-NAM to bring transparency and competitiveness as well as ensure better price discovery among farmers. Besides, duty is being reduced on certain inputs required for shrimp aquaculture to promote its exports.

The announcement of a comprehensive package, with the participation of states, to catalyse the adoption of suitable varieties of Fruits & Vegetables for food processing, would create tremendous opportunities for increasing value addition in exports and raise farmer income.

