

Rush of measures to drive economy

Amidst these extraordinary circumstances, the Union government has presented a pragmatic and forward-looking budget that offers avenues for our country to be supported through the current pandemic.

The government has adeptly balanced the tightrope walk to increase spending, without going overboard, by focusing on critical sectors such as healthcare and infrastructure.

Given the nature of this crisis, the government has substantially increased the investment on health infra-

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structure by focusing on strengthening three areas: preventive, curative and overall wellbeing.

The outlay on health and wellbeing has been increased by 137 per cent to Rs 2,23,846 crore with the government proposing a new scheme — the PM Atma Nirbhar Swasth Bharat Yojana — to help with the detection and cure of new and emerging diseases while also developing the capacities of healthcare systems and creating new and strengthening existing national institutions.

Besides health, the budget also focused on the overall wellbeing by adequately ensuring programmes for clean water (Urban Jal Jeevan Mission),

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sanitation (Urban Swachh Bharat Mission 2.0) and clean air (the vehicle scrapping policy and the allocation for tackling air pollution).

The infrastructure sector has also received a shot in the arm with a sharp increase of 34.5 per cent in the proposed budget. This would not only provide the much-needed impetus for supporting growth in the medium term but also has the potential for generating millions of jobs.

It is heartening to note that one of the CII's key recommendations — the creation of a De-

velopment Financial Institution (DFI) — has been accepted to meet the financing needs of the infrastructure sector.

The professional management of this institution as well the initial allocation of Rs 20,000 crore would go a long way in ensuring the proper functioning of this institution.

While the pandemic has impacted the healthcare sector directly, there have been indirect ramifications for the banking and financial sectors. The sector had already been dealing with an NPA crisis before the pandemic and additional bad loans in light of the current crisis would only exacerbate the problem.

To this effect, it is a welcome sign that another impor-

tant CII recommendation that found its way in the budget is the proposal to set up Asset Reconstruction Company Limited and Asset Management Company.

These companies would consolidate and take over the existing stressed debt and then manage and dispose of the assets to Alternate Investment Funds and other potential investors for eventual value realisation, thereby cleaning up the books of the banks.

Overall, the Union government has ticked all the right boxes with Monday's budget and the announcements will certainly propel the country in becoming an economy of the future.