

# Budget Makes Us Believe India Can Become a \$10-trillion Economy



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What we fear doing most is usually what we most need to do. Piyush Goyal encapsulated the spirit of these words aptly and presented the ambitious vision of the Indian economy in the next 10 years.

Setting a progressive and forward-looking tone, the interim budget took huge strides in making us believe that India can become and should strive towards a \$10-trillion economy,

but also what that entails in the form of a 10-point vision for the economy. For the near term, the budget proposed game-changing reforms to increase the contribution of agriculture and specially the rural economy.

The proposal of income support to small and marginal farmers not only takes a different turn from the usual course of providing relief (loan waivers) but also sets the stage for large-scale direct transfers. This would give a huge impetus to making India digital and reduce costs of government schemes. Incentivising farmers to engage in fisheries would help reduce the burden on the agricultural sector.

States must play an important role in development of agriculture. The sector requires local and customised solutions on markets, cold storages, technology and backward and forward linkages, which is only possible through an increased role of the states. One way to encourage states is

to rank them according to an index of agriculture innovation/productivity.

The budget brings relief from the consumers' side as well. The increase in minimum taxable income to ₹5 lakh, increase of TDS threshold on rental income and same relief

for small deposit-holders in banks and post offices would encourage spending and boost growth.

The budget also outlined the employment scenario. Support to MSMEs by increasing government procurement, the proposal to set up a National

Centre for Artificial Intelligence and the vision to have a completely electric transport system lay the foundation for increased employment and its changing nature of employment. The budget encourages the vision of women-led development by increasing

support to women-led MSMEs.

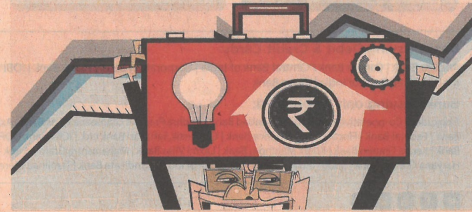
While we compare ourselves with China on growth metrics, it is important to note that India is 10 years younger, but reaching their level of infrastructural development would require us to strive for a similar growth trajectory. What we need for that vision to come true is a work plan to have a steady, strong growth for 20 years.

The current government has taken positive steps towards leveraging the demographic dividend by investing heavily in human capital in the form of health and education. I am delighted that education and health sector together see an increased outlay of 17%.

This government has not been afraid to take reforms that may entail some costs in the short term but are believed to have huge long-term benefits. Now, the time is apt for galloping growth with equity accompanied by optimism and hope.

(Views are personal)

## Budget encourages women-led development by increasing support to MSMEs headed by women



### IN A NUTSHELL

- ▶ **Income support** to small and marginal farmers sets stage for large-scale direct transfers
- ▶ **This will help** making India digital, reduce costs of govt schemes
- ▶ **Incentives for** farmers to engage in fisheries will reduce burden on land
- ▶ **Budget increases** support to women-led MSMEs
- ▶ **Demographic dividend** being realised by investing in human capital in form of health & education

ANIRBAN BOHA