



COLUMN *By Anil Agarwal*



BREAKING FRESH GROUND

THE FIRST FULL-FLEDGED UNION BUDGET under Modi government 2.0 is an all-round one that not only focuses on all key segments of the Indian economy but promises to break fresh ground in areas like electric vehicles, inviting global majors for setting up manufacturing plants in sunrise sectors and turning India into a global hub for maintenance, repair and overhaul (MRO) industry. Despite pres-

ures to step up spending to boost economic growth, the budget has been pragmatic and steers clear of any big-ticket populist promises. To borrow an analogy from cricket, this budget has been an exercise in consolidation so that pick up in GDP growth in coming years does not get stymied for want of a solid base.

The budget for 2019-20 aims at significantly strengthening India's physical infrastructure by committing to invest a whopping Rs 100 lakh crore in the next five years. This will be achieved by building expressways, highways and 125,000 km of village roads, industrial corridors, dedicated freight corridors, waterways, regional airports, gas grids, and seamless Internet connectivity till the last gram panchayat. At the same time, the budget has announced several measures to boost inflows of foreign capital into the country along with the domestic corporate bond market and this will ensure that mega infrastructure projects do not face financing hurdles.

The government has also stated unequivocally that strategic divestment of PSUs is a priority area and it will also look to bring down its holding in select PSUs below the threshold of 51 per cent. I have always maintained that our PSUs hold significant intrinsic value and this value can be unlocked with participation of the private sector. I am confident that a number of our PSUs, which have been underperforming, can be turned around once the government gives their control to the private sector.

Another significant takeaway from the budget is the proposal to streamline multiple labour laws into a set of four labour codes. I am hopeful that once implemented, we will have a set of labour laws that will be in sync with the present times and consider the rapid transformation in the industrial sector. This will also bring down the number of disputes and lead to early resolution of cases.

The budget aims at not only growing the nation's economy but also focuses on modernising the country, developing infrastructure, providing the appropriate platforms for our youth and making things

more convenient for the common citizens of our country. Schemes such as Har Ghar Jal, Housing for All, Swachh Bharat Mission for solid waste management in every village and providing electricity connection with clean cooking facility by 2022 will not only help in developing rural India but also go a long way in eradicating poverty from our country which has been a constant problem for decades now.

The fact that the government plans to bring in a New National Education Policy to transform India's higher education system into one of the best education systems globally, is a welcome initiative that has been long overdue.

The youth of our country urgently need guidance and appropriate platforms to help them explore unconventional career opportunities.

Job creation has been an issue and the government has realised the need to look beyond the traditional avenues of employment. Our country has an enormous potential for tourism and the government's plans to develop 17 iconic tourism sites into world-class tourist destinations to serve as a model for other tourism sites, is a brilliant move. The iconic tourism sites would enhance visitor experience which would lead to increased visits by both domestic and international tourists at these destinations. This will ultimately boost employment opportunities.

India has traditionally been an agrarian economy and our farmers need to be protected. Setting up new farmer-producer organisations and the government's intent of going back to 'zero budget farming' will help ease the stress currently prevailing in the farming sector. The ease of doing business and ease of living for farmers are well thought of initiatives and should be taken further.

With climate change continuing to pose a huge risk to the planet, the budget has looked upon this aspect as well by giving a boost to electric vehicles with a lower GST and tax incentives for purchase of EVs. The government's aim to make India a global hub for manufacturing of electric vehicles

is commendable.

The increase in customs duty on gold and other precious metals from 10 per cent to 12.5 per cent is a step in the right direction to curb imports. We are hopeful that similar steps will also be taken to safeguard domestic industries like aluminium, copper, iron ore and coal by raising import



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duties or correcting inverted duty structure. The government also needs to focus more on under-the-ground exploration, not only to drive self-sufficiency and cutting dependence on imports but to propel the Indian economy towards the \$10-trillion mark.

All in all, this has been a well-balanced, pragmatic and result-oriented budget with an aim to take our economy to \$5 trillion in the next few years. **BW**

The author is Executive Chairman, Vedanta Resources