

Impetus given to the manufacturing sector: Prof. Kakani

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RAIPUR: The Modi 3.0 govt. budget aligned with vision of their earlier government of transforming India. The govt. continues its fiscal prudence with fiscal deficit reducing to 4.9% and 4.5% is clearly in sights. The budget induced a much needed push for the agriculture sector, allocating Rs. 1.52 Lakh cr outlay on agriculture with a vision of bringing 10 million farmers to natural farm-

ing practices and focus on climate resilient crops.

A key highlight of the budget was also the impetus given to the manufacturing sector which remains key for generating large scale employment for our youth. MSMEs have always been credit constrained and the budget directly tackled these concerns. The budget introduced a credit guarantee scheme which would allow MSMEs to get term loans for purchase of machin-



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ery without collateral or third-party guarantee. This is a huge step for MSMEs as it provides relief to their working

capital cycle.

Reduction of custom duties, especially that on mobile parts (reduced to 15%) is key from trade

perspective and will help develop India as a key global supply chain player in the future. This is a welcome step and aligns with the reduction in Import duty on key intermediate inputs earlier this year.

Moreover, setting-up of e-commerce export hubs will help small firms, and artisans explore international markets with greater ease. This will help them expand their market base and improve their overall

contribution to the economy. This is a brilliant move, as India's overall e-commerce export penetration is low, and this can help leverage India full potential.

The govt. has also recognized the fall in FDI and has in turn promised reforms to ease the FDI norms, which hopefully will bring FDI to earlier levels and even increase it.

Finally, the government allocation of Rs 2 cr for employment gen-

eration is timely as the size of the Indian workforce expands.

In this regard, CSS for skilling 20 lakh youth will make the workforce more employable and will help manufacturing sector grow as well. Now, one thing which will help the salaried class, is the increase in standard deduction, along with restructuring of the tax slabs. Overall, the budget was well rounded and had something to offer for everyone.