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COMMENT

Budget moved the needle on jobs



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1 India could take solace from the huge leap we made over the last 10 years on institutionalising macroeconomic stability. However, weak growth in formal sector employment with reasonable remuneration took some shine off the economy's glitter. The first Budget of the new government is employment-oriented. The announcements clearly indicate that the focus of the government over the next five years would be in enhancing India's human capital. By introducing three new schemes for employment-linked incentives, the Budget has moved the needle on the job creation front. The steps taken to incentivise firms to hire more labour is a positive step forward. The Budget has also opened multiple job-creation vectors via a comprehensive development plan for India's travel and tourism sector and a continuous thrust in the infrastructure sector.

It is heartening to see the Budget expand its focus from agricultural allocation to enhanced focus on agricultural productivity and sustainability. The announce-

ment of digital public infrastructure for agriculture, integrating 60 million farmers and their land into a digital registry are set to transform the sector.

Another highlight of the Budget is the continued focus of demand stimulus through a ₹17,500 benefit for salaried taxpayers. The focus on housing and urban planning is set to stimulate growth in the real estate sector. By addressing the needs of various segments, including affordable housing, industrial workers, and urban infrastructure, the Budget aims to create a more balanced and inclusive growth environment.

The Budget deserves credit for improving the ease of availing finance for the MSME sector through measures such as new assessment model for MSME credit by public-sector banks, enhancing the Mudra loan limit, reduction of TReDS threshold for mandatory onboarding and a separate guarantee cover up to ₹100 crore. We are particularly encouraged by the announcement to facilitate the development of investment-ready "plug and play" industrial parks with complete infrastructure in or near 100 cities, in partnership with the states and private sector. This was a key FICCI ask from the government and an important aspect for growth of the MSME sector in India.

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