



Sectors in the Limelight Post Elections

May 2024

India Post General Elections- 2024-25

Industries on Radar

Executive Summary

India has just concluded the largest ever general elections in its history which lasted over a 44 day period to elect a new government through 543 parliamentary constituencies. The outcome of the elections will be known shortly. There is a significant expectation in the markets that the current government will be re-elected for the third time although the margin for majority remains an uncertain aspect at this point in time.

The existing government has formalized plans and strategies to enhance the growth prospects for India over the next five years through a 100 Day Blueprint. The economy has seen a bumper GDP growth of 8.2% in FY24 driven by robust public investments and a strong revival in the industrial sector. While most of the forecasts for economic growth in the current year are below or at 7.0% given the base factor that is likely to catch up, the government is optimistic that it can average a GDP growth between 7%-8% in the next five years.

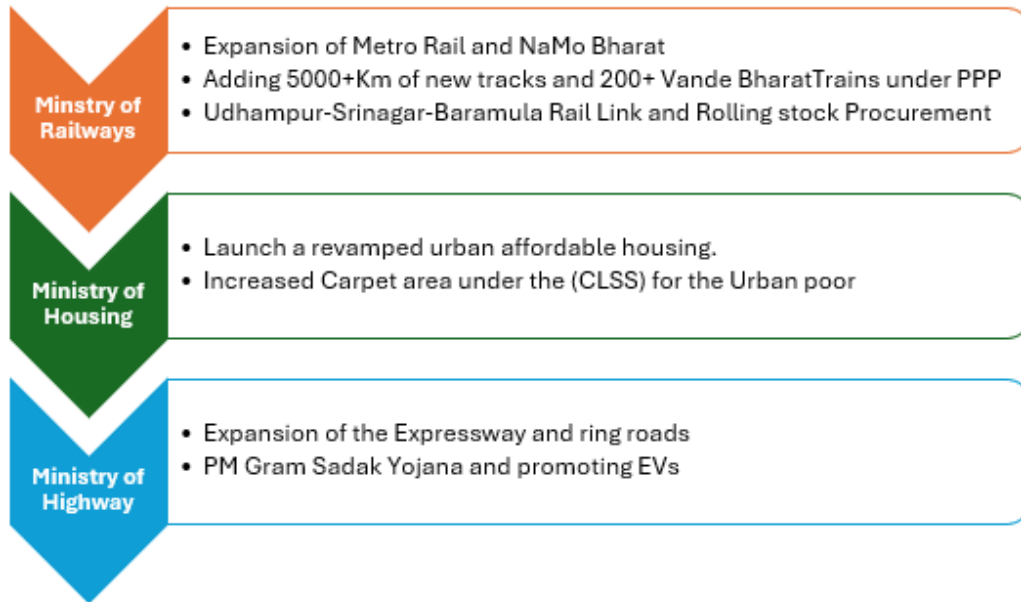
The re-elected government will not just endeavour to propel India's GDP and growth figures but also take the country towards those milestones and metrics that will help us become a developed nation by 2047 (Amrit Kal). We believe that the government will focus on the following agenda in its next term:

- Expand the indigenous manufacturing sector through several existing and new programmes which will lead to employment generation and export opportunities.
- Further build on the work done on the infrastructure sector to take connectivity and logistics across India to the next level; strengthening the quality, coverage and efficiency of the Indian railway network is the priority on the infrastructure front.
- Expedite not just renewable energy capacity additions to meet emission goals but also reduce dependence on imported fuels over the longer run; adopt and implement strategies such as solar rooftops and energy generation from bio-waste.
- Build new urban infrastructure (smart cities) with resilience to climate risks which will help to de-congest the existing cities; in the latter, build affordable housing infrastructure for lower income people.
- Healthcare and insurance coverage will receive a lot of attention given that it's an import element in the quality of citizens' lives.
- Push agricultural reforms to augment farmers' incomes, an agenda that is yet to make substantial progress

The sectors that are likely to witness a significant uptick in the medium term are;

- Renewable Energy, Healthcare, Insurance, Defence, Construction, Railways, Housing and Real Estate and Agriculture

Agenda-100 Days Blueprint



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Railways:

Railways can become transformational for the Indian economy over the next decade. There is a comprehensive plan to modernize, expand and de-congest India's railway network along with facilitating urban and real estate development. The metro rail projects are already under implementation in Tier 1/2 cities and there will be a further step up on that expansion. This will go a long way in easing traffic congestion in the major Indian cities. Additionally, the railway ministry plans to spend Rs 11 Lakh Cr for the multi-modal corridor in the upcoming five years, which should lead to private sector investments in the connected areas while also supporting the infrastructure projects such as Navi Mumbai International Airport, JNPT Port and Mumbai Trans Harbor Link.

Housing and Real Estate Development

With the affordable rural housing schemes for the rural and urban areas, the 100-day agenda aims to promote "Housing for All". Keeping in mind the escalation of the housing and real estate cost every year, the launch of revamped urban affordable housing unveils a new scheme offering Rs 60,000 Cr interest subsidies to the urban poor and middle class along with the interest subvention of 3-6% per annum on home loan amounts up to Rs 50 lakh. Hence, this scheme will serve to help the deserving sections of the middle class living

in rented apartments or in the chawls of the unauthorized colonies. The target is to build two crores + houses or apartments in the coming 5 years.

Road Transport, Aviation, Waterways and Shipping

With an aim to expand and strengthen the modern road connectivity ecosystem to 15,000 km of access – controlled highways, the agenda paves the way not only for an improved mobility, but also for better safety guidelines with the interventions of techno legal series. Measures such as Amrit Kaal Civil Aviation Master Plan, targets to position India as the leading aviation ecosystem of South Asia.



Agricultural Sector

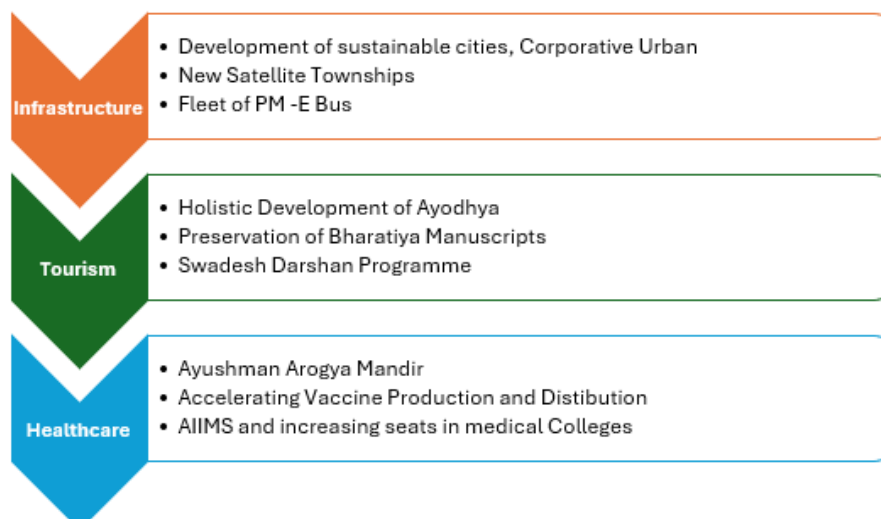
Strengthening the schemes such as PM Kisan and PM Fasal Bima Yojana will provide sustainable financial support to the farmers along with the help of technological interventions which will ensure speedy assessment and faster payouts. India is moving towards an "Atmanirbhar Bharat," where indigenous production of pulses and edible oil needs to be encouraged, thereby reducing the dependency on the imports. India also targets to position itself as Nutri – Hub of the world, as it encourages the production of the Shree Anna "Millets" and promote it as Global Superfood. Expanding Irrigation facilities, storage infrastructure in rural areas and expanding dairy cooperatives, are some other schemes which would be strengthened to enhance the income levels of the farmer community.

“Make in India” – Domestic Manufacturing

To expand manufacturing in the country, a series of programs such as PLI, Product Nation, PM- Gati Shakti etc. will further harness the potential of manufacturing in creating employment opportunities and expanding economic activities. To attain balanced regional development, the agenda promotes “one district one product,” along with positioning the country, as the “Product Nation,” where complex products are designed and built within the country. Additionally, the one hundred days of blueprint, focuses to build global food industry, defense manufacturing industry, Aviation and shipping MRO hub, global pharmacy hub, Textile, and bio- manufacturing hub in the country itself, thereby encouraging sustainable growth and establishing leading position in the international market. This will further lead to position the country as a major player in all the economic segments that will increase employment opportunities and grow the export volumes.

Green Energy

The 100 days Blueprint targets that by 2047, energy independence will be achieved, thereby reducing the import of petroleum, and crude oil, as it focuses to raise the share of electric mobility, renewable energy production along with improved energy efficiency. The ethanol-blending in petrol will further mitigate the environmental degradation. Additionally, with a clear focus towards the production of green hydrogen, accelerating renewable energy capacity addition, implementation of PM Surya Ghar Muft Bijli Yojna, and establishment of smart grid, the agenda is meant to ensure a sustainable and reliable energy future for the country. Additionally, the Centre of Excellence for Clean Energy technologies will build the country as Global Manufacturing Hub for Wind, Solar and Green Hydrogen and also scale up Bio-Energy Manufacturing facilities from all sorts of waste.



Broad based Infrastructure Development

With a vision to provide world class infrastructure in all the cities and promote sustainable living, the blueprint focuses on developing water secure cities for leveraging best practices for wastewater treatment, promoting Cooperative Urban Governance in order to revitalise the urban landscapes and enhance the quality of life for our citizens, develop an infrastructure that manages and utilize the waste and open landfills through "Waste to Wealth Mission' programme, create big convention centres across cities and make Bharat into a global destination for conferences and exhibitions. Holistic Development of Islands, sustainable Development of Hill States, Development of Religious Tourism Infrastructure and Resilient Infrastructure for Bharat's Coast will also be part of the agenda.

"Virasat bhi, Vikas bhi" is coined to shape a future where, the rich culture of India inspires and bring home the people from across the world. Establishment of "Bharatiya Sanskriti Kosh", establishment of Bharat National Museum, Developing Thematic Circuits for promoting cultural experience and Promoting 'Wed in India', will attract tourism and hospitality sector, which will increase the revenue generation of the country, from hotels, transports, and museum. The "Wed in India" programme will further showcase the richness of Indian Wedding which will highlight vibrant cultural Tradition as well.

Health Care

The agenda aims to support biopharma companies and Indian Vaccine Manufacturers to increase the production and distribution of the vaccines on a global basis. The launch of Emergency and Trauma Care Mission, Improving Mental Healthcare Services and Strengthening Ayushman Arogya Mandirs will upgrade the healthcare facilities of the country, thereby improving the average life expectancy rate. Expansion of the Jan Aushadhi Kendra network to provide high-quality low-cost medicines to citizens, Free medical treatment up to Rs 5 lakh provided by Ayushman Bharat is to further make medical treatment affordable to people from the lower middle class and poor category.

Other critical areas to drive economic growth, social development, and technological advancement. These areas are vital for the country's overall progress and include:

Economic Reforms:

The government is likely to prioritize economic reforms to boost investment, streamline regulations, and enhance ease of doing business. This includes tax reforms, labor law adjustments, and initiatives to reduce bureaucratic red tape, Revamp Commercial and Tax Legislations along with streamlining export rules to step up exports.

Education

Enhancing the quality of education at all levels, from primary to higher education, through curriculum reforms, teacher training, and digital learning initiatives. Expanding Skills Training for Youth, Using Technology for Access to Quality Education, Establishing New Institutions of Higher Learning, focus on all dimensions of quality education including teachers training, infrastructure, use of technology, internships, and time-to-time upgradation of knowledge and skills. Special emphasis on vocational training and skill development will be provided to prepare the workforce for future challenges.

Social Welfare Programmes

Continuing and expanding social welfare programs aimed at poverty alleviation, women's empowerment, and support for marginalized communities. This includes schemes Integrating Women SHGs in the Service Sector, Lakhpati Didis, Nari Shakti Vandan Adhinyam, Delivering Government Services at Doorstep for the senior citizens, Organising Ayush Camps and Convenient Teerth Yatra for the citizens are some of the newly launched missions.

Digital India

Expanding the Digital India initiative to ensure greater digital inclusion and enhance internet connectivity in rural and remote areas. Expansion of the 5G networks and take the lead in the development of 6G technology. Promoting digital literacy and cybersecurity measures to safeguard digital infrastructure.

Innovation and Research

Promoting innovation through increased funding for research and development in areas like artificial intelligence, biotechnology, and renewable energy. launch Gaganyaan, Bharat's first human spaceflight mission, and land an astronaut on the Moon, set up an

Anusandhan Fund with an investment of ₹1 lakh crore to provide loans to promote scientific research, launch a National Atmospheric Mission to be called Mausam to make Bharat “weather ready” and “climate smart”.

Cybersecurity

Strengthening cybersecurity frameworks to protect critical infrastructure and sensitive data from cyber threats. Developing capabilities to counter cyber-attacks and ensuring the security of digital transactions and communications.

Governance:

Enhancing transparency, accountability, and efficiency in government operations through administrative reforms and the use of technology. Promoting e-governance and reducing corruption through stringent measures and public awareness campaigns.

Judicial Reforms

Streamlining judicial processes to reduce the backlog of cases and ensure timely justice. Improving infrastructure for courts and enhancing the use of technology in judicial administration.

Defence

We can witness some key defence initiatives and budget allocations as government significantly increased the defence allocations, prioritizing modernization, and self-reliance in defence manufacturing. This move aligns with India's ongoing efforts to enhance its military capabilities and reduce dependency on foreign arms. Further, the government will remain committed to the "Make in India" and "Atmanirbhar Bharat" (self-reliant India) initiatives. These policies will continuously aim to boost domestic defence production and attract foreign direct investment (FDI) in the defence sector. Following the Lok Sabha Election 2024, India's defence sector is anticipated to undergo substantial growth and modernization, significantly contributing to the country's GDP. The government's continued emphasis on self-reliance through the 'Atmanirbhar Bharat' initiative will drive the expansion of domestic defence manufacturing capabilities. This will involve increased investments in indigenous production of advanced military equipment, including aircraft, naval vessels, missiles, and surveillance systems. Key policies, such as the Defence Production and Export

Promotion Policy (DPEPP) 2020, will further support the development of a robust defence industrial base, aiming to make India a global hub for defence manufacturing. Collaborations with international defence companies and strategic partnerships will enhance technological capabilities and bring in foreign direct investment (FDI). The establishment of defence corridors in Uttar Pradesh and Tamil Nadu will boost local manufacturing, create jobs, and stimulate regional economies. Additionally, the focus on research and development (R&D) will drive innovation, leading to the development of cutting-edge defence technologies and systems.

MSME

Strengthening PM Vishwakarma Yojana, Empowering Small Traders and MSMEs with ONDC, simplify the GST portal to increase accessibility to users, especially MSMEs and small traders, are the steps taken to foster, a vibrant, resilient, and innovative environment for MSMEs.

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