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PREVIEW OF UNION BUDGET

FY 2024-25

July 2024

Preview: Final Union Budget- 2024-2025

Executive Summary

The final Union Budget for FY 2024-25 will be presented by the newly elected Government of India on July 23, 2024. The interim budget had already been presented in Feb-24 before the general elections. While almost every stakeholder in the economy expects specific measures for its sector or group, we believe that the upcoming budget will largely be a continuation of the economic policies pursued over the last one decade with some tweaks which will keep India on the progress road that leads to the destination of a developed nation by 2047.

We have identified **six major themes** on which the budgetary announcements of the Governments will hinge in the current year:

1. Strengthen domestic demand to sustain the current growth momentum in the economy and facilitate average GDP growth of 7% or above in the next 5 years
2. Expedite the development of a robust Indian manufacturing ecosystem particularly in the emerging sectors that will substitute imports and generate exports apart from also contributing to employment.
3. Accelerate the current pace of infrastructure development in the country to take connectivity and logistics across India to the next level with special attention to railways
4. Reiterate the government's commitment to fiscal consolidation by limiting the fiscal deficit to within 5% in FY25 and confirm the glidepath to 4.5% in FY26.
5. Strengthen Indian agriculture through policy measures that will facilitate crop diversity, mitigate climate risks, reduce high food inflation and importantly, raise farm incomes
6. Expedite progress towards achievement of SDGs (sustainable development goals) set for the year 2030

While the Indian economy grew at a robust rate of 8.2% in FY24, it has been largely driven by a surge in investments (GCF) which rose by 9.4%. Private consumption expenditure grew by a meagre 4.0% which reflects the need to expand the growth drivers of the economy through demand stimulation. We expect the government to enhance the demand in the economy through (i) an increase in outlay for various welfare schemes targeted for vulnerable populations (ii) tax benefits for middle income population albeit the extent of such benefits may be limited. Higher household savings and increased rural demand from such measures can provide the much needed push to private consumption.

The PLI (production linked incentive) programme for expediting the growth of the manufacturing sector was initiated in 2021-22 with an outlay of almost Rs 2 tn. The programme covers 14 sectors and while the estimated investments under it is estimated to be Rs 1.1 tn, it has been limited mostly to a few such as electronics, pharmaceuticals and solar modules. We expect the government to review the progress of the programme and come out with modifications that can induce higher investments particularly in sectors that are relatively more employment intensive. One of the policy priorities of the government is to maximize jobs in the manufacturing sector and this may require linking investment incentives to not just output but also employment.

Infrastructure development has been a major policy focus for the Government over the last ten years. In the interim budget, it has allocated Rs 11.1 tn for public capital expenditure which is only a moderate growth of 11% over the previous budget figure.

We expect the government to raise the budgetary allocation for capex further given the demand from various infrastructure sectors and particularly railways where there is a significant requirement for upgradation of existing networks. It is also likely that the government will provide additional support (grants or loans) for capex incurred by the states. A further scale up of the ongoing infrastructure spending will have several benefits which include (i) support GDP growth (ii) generate additional employment in the construction sector and (iii) improve the quality of connectivity and transport in India as we target to become a developed nation in another two decades. Additionally, policy measures that facilitate the development of new urban infrastructure (smart cities) with resilience to climate risks will help to de-congest the existing cities. It is also likely that the government will announce specific measures to expand the existing PMAY (Urban) which will provide a boost to the real estate sector.

While continuing its commitment to spending that will boost growth of the economy, the government is also expected to demonstrate its commitment to fiscal consolidation and control on market borrowings. In the current scenario, two important developments have taken place on the fiscal front: (i) higher than projected tax revenues in the first quarter of the year which may induce the government to increase its tax collection estimates (ii) substantially high dividend from RBI of Rs 2.1 tn. Such additional inflows in the current year may support additional spending on welfare and also on capital expenditure. At the same time, we expect the government to demonstrate its commitment to fiscal consolidation by not just sticking to the glidepath of 4.5% fiscal deficit by FY26 but also making an effort to improve on it. While the disinvestment programme of the government is uncertain at this point, we may see some measures to step up on asset monetization in the current year.

GVA growth in the agricultural sector has slipped to 1.4% in FY24 which is the lowest since FY16. This has been primarily on account of the impact of the irregular rainfall brought about by the El Nino phenomenon, climate risks has led to chronic agrarian distress in some parts of India. While there is a political sensitivity around major farm reforms, specific policy measures need to be taken to promote crop diversity and mitigate the risks of high food inflation arising from climate changes. Along with efficient public procurement at MSPs, the government should take steps to ensure that farmers get reasonable prices for their crops. This may also involve facilitating public and private investments in crop storage infrastructure in rural areas.

Finally, the government is also likely to give adequate priority to the theme of sustainability, given the specific goals set for 2030. This will not only require India to expedite renewable energy capacity additions but also focus on relatively cleaner fuels such as CNG/LNG, expedite the implementation of schemes on solar rooftops and energy generation from bio-waste as also expedite the commercialization of new technology for storage batteries, green hydrogen etc.

Key Focus Areas: Growth and Consumption

India's GDP growth was significantly higher than expectations in the previous year at 8.2%. While the growth print is set to moderate in the current fiscal due to the base and other factors, the economy resembles a "juggernaut" today and is pushing ahead with a strong momentum. Most of the current growth forecasts for FY25 are around the figure of 7.0%.

- Acuité Research has pegged GDP growth at 6.8% for the current year
- RBI has raised the real GDP forecast to 7.2% from an earlier estimate of 7%, citing improving rural demand buoyed by favourable monsoon forecasts.
- In its latest report on Global Economic Prospects, World Bank said India will remain the fastest-growing large economy. According to its forecast, India is set to report 6.7% and 6.8% growth respectively in FY25 and FY26.
- As per IMF, growth in India is projected to remain strong at 6.8 per cent in 2024 (FY25) and 6.5 per cent in 2025 (FY26)

While GDP growth has improved to 8.2% in FY24 from a revised 7.0% in FY23, private consumption growth has visibly slowed from 6.8% to 4.0%. This is the slowest consumption growth in the economy in the last two decades except that in the Covid year (FY21) when there was a sharp demand contraction. Such a slowdown in consumption demand may be largely attributed to weaker rural demand arising from lower agricultural growth induced by El Nino weather conditions and higher inflation.

Consumption has been a major driver of the Indian economy and accounts for around 55.8% of GDP (FY24). The average consumption growth in the last decade (2014-24) has been moderately healthy at 5.7%. However, it needs to grow at a stronger rate if India has to aspire for consistent GDP growth rates between 7%-8%.

We believe that the government may take some specific measures to increase the disposable incomes of the population who are in the middle to low-mid income category. This may imply revisions in the tax laws that will ensure minimal tax liability for individuals with incomes upto Rs 8-10 lakhs per year. The consequent annual savings of Rs 0.5-1.0 lakh for the tax payers can translate into higher discretionary spending.

There are several other expectations on the tax front particularly on increasing the tax incentives on housing loans to boost housing demand. Higher demand for housing can have a large positive impact on the overall demand in the economy. The government may also bring in additional measures to give a boost to affordable housing projects across the country.

Welfare measures

Apart from increasing disposable incomes for the mid-income groups, there is a possibility that the government will step up on some of the welfare programmes to provide additional relief to vulnerable segments of the population. For example – a higher outlay can be expected under PM Kisan Scheme which currently provides Rs 6,000 per year to every landholding farmer.

There are also suggestions to set up a social security fund for workers in the unorganised sector that will provide a fixed pension per month.

Key Focus Areas: Boost Manufacturing Sector

India's strategic goal of becoming a global manufacturing powerhouse is gaining momentum. The upcoming budget is expected to play a crucial role in supporting this vision. Measures to incentivize domestic production, improve supply chain infrastructure, and enhance trade agreements are likely to be central themes. The success of these initiatives will be vital in determining India's ability to compete with established manufacturing giants and carve a niche in the global supply chain.

The **Production Linked Incentive (PLI)** scheme, introduced by the Indian government, aims to boost domestic manufacturing, reduce import bills, and create jobs. The key objectives of the programme were to (i) enhance India's manufacturing capabilities and exports (ii) make domestic manufacturing globally competitive (iii) encourage foreign companies to set up manufacturing units in India (iv) focus on labour-intensive sectors to generate employment.

Initially thirteen sectors, including mobile manufacturing, electronics, and pharmaceuticals but it was later extended to fourteen with the inclusion of the drone sector. Companies receive incentives based on incremental sales from domestically manufactured products. Such a programme was designed to (i) encourage private investments (ii) boost domestic manufacturing output over the next five years (iii) creates global champions in manufacturing.

A notable success story under the PLI programme is the significant increase in Apple iPhone exports from India, reflecting the country's growing capabilities as a manufacturing and export hub. Companies like Apple have indicated their commitment to expanding operations in India, a move seen as part of broader efforts to reduce reliance on China amidst ongoing US-China trade tensions.

Nevertheless, the implementation of the PLI programme faces challenges due to scale and complexity. The design of the schemes should be such that it ensures fair competition and avoids discrimination. There are some targeted sectors such as speciality steel, textiles and advanced chemistry cell batteries where the response has been muted. The government would need to explore revisions and extensions in some of the strategic sectors where investments are critical but where progress has not been adequate.

MSME Sector

The MSME sector, which contributes almost 30% to India's GDP, is also likely to receive attention, given its potential in employment generation. The government may announce special schemes to improve supply chains, enhance manufacturing capabilities, and ensure MSMEs can access concessional loans or affordable credit. In the interim budget 2024-2025, the establishment of a corpus totalling Rs. 1 tn (Lakh Cr) (~US$ 12 Bn) was announced which would offer 50-year interest-free loans to incentivize the private sector, particularly MSMEs, to enhance research and innovation in emerging sunrise domains. This fund would need to be operationalized in the current year.

The government launched the Emergency Credit-Linked Guarantee Scheme (ECLGS) to provide significant credit support to MSMEs. A proposal suggests creating a new category of NBFCs called NBFC-PSL exclusively for serving the priority sector, particularly MSMEs. Other initiatives include adding retail and wholesale trading businesses as MSMEs, updating MSME definitions under Atmanirbhar Bharat, implementing TReDS for addressing late payments, and extending non-tax benefits for three years post an MSME's upward status change.

Defence

The defence sector is poised for significant investments to enhance India's military capabilities. With a capital expenditure outlay of Rs 1.72 tn, a 9.4% increase over the previous budget, the focus will be on modernising military infrastructure and boosting domestic manufacturing. There is a possibility that the current outlay on capex will be further increased. Key projects will likely include the development of advanced weaponry, naval vessels, and missile defence systems, supporting the government's vision of achieving a $25-billion defence output by 2025.

Support for indigenous defence manufacturing under the Make in India initiative, technology transfers, and joint ventures is expected to bolster self-reliance in defence production. Investments in advanced weaponry, naval vessels, aircraft, and surveillance technologies are likely to be prioritized to bolster India's defence capabilities. The budget is also expected to focus on cybersecurity measures and infrastructure to safeguard defence networks and critical assets.

Automobile

Firstly, the PLI scheme has significantly supported the automotive industry. However, industry bodies advocate for consistency in its structure and fewer frequent changes by the government to reduce confusion, thereby enabling increased private sector capital expenditure. Secondly, the industry would like the Faster Adoption and Manufacturing of Electric Vehicle (FAME) scheme to continue with some rationalisation. As India gears up for the 2024 budget, the Auto Sector is poised for a transformative shift towards sustainable transportation, particularly in Electric Vehicles (EVs) and Liquified Natural Gas (LNG) vehicles. The budget is anticipated to include significant subsidies and incentives aimed at accelerating the adoption of EVs, making them more accessible and cost-effective for consumers. Furthermore, the budget is likely to emphasize the development of infrastructure for both EV charging stations and LNG refuelling stations. By prioritizing EVs and LNG vehicles in the budget, India aims not only to drive economic growth and job creation in the Auto Sector but also to establish leadership in sustainable mobility solutions on the global stage.

Measures that can be taken for employment generation:

In the upcoming 2024 budget, the government can focus on job creation through key strategies. Introducing an Employment Linked Incentive Scheme (ELIS) for service sectors like tourism, hospitality, logistics, retail, entertainment, animation, and gaming would incentivize companies to hire more. Additionally, robust Skill Development Programs can equip the workforce with needed skills, while investments in infrastructure and support for MSMEs can create immediate job opportunities. Promoting entrepreneurship and fostering growth in digital and green sectors will further boost employment prospects across the economy. These measures aim to enhance employment opportunities and stimulate economic growth effectively.

The government's earlier initiatives, such as PM Gati Shakti and the National Logistics Policy, are pivotal in laying the groundwork for India's manufacturing expansion. These efforts are crucial as India strives to attract more foreign investment and diversify its manufacturing base.

Key Focus Areas: Robust Infrastructure Spending

The government has been consistently increasing budgetary allocation for infrastructure. Capital expenditure is expected to grow at 16.9% by FY25. The calibrated policy actions help improve logistics and supply chain.

The budget strategy is likely to prioritize substantial investments in infrastructure development. This focus on infrastructure is crucial for reducing domestic logistics costs and improving the efficiency of India's supply chain. Upgrading transportation infrastructure is particularly important, considering India's current lag in global Logistics Performance Index rankings.

The government is considering a substantial increase in state subsidies for rural housing in the upcoming full budget, potentially raising them by up to 50% from the previous year, surpassing 6.5 billion.

The upcoming Budget 2024 can prioritize infrastructure development that includes investments in roads, railways, ports, and airports. Road transport and highway development will receive a significant boost, with Rs. 2.78 lakh crore allocated to the Ministry of Road Transport and Highways. The focus will be on expanding the national highway network and enhancing connectivity across the country. With ongoing projects of Rs 79,789 crore, India aims to build over 6,270 km of national highways, facilitating better transportation of goods and passengers.

Additionally, the key priorities include substantial investments in transport infrastructure such as roads, highways, ports, airports, and inland waterways to enhance connectivity and logistics efficiency. Urban infrastructure development, including investments in smart cities, affordable housing schemes, and sanitation facilities, is also anticipated to be a priority.

Railways

The budget is poised to substantially increase capital expenditure (capex), building on the momentum of the previous allocation of 2.6 lakh crore rupees announced in February. This infusion aims to enhance railway infrastructure, improve passenger amenities, and bolster operational efficiency across the network.

Key initiatives such as the Kavach scheme underscore the government's commitment to safety, aiming to reduce accidents and enhance security measures within the railways. The expansion of the Vande Bharat Express fleet represents another significant development in the upcoming budget. Plans to add 40 thousand coaches and replace old ones with modern, efficient models underscore efforts to enhance travel comfort, reduce travel times, and meet growing passenger demands. Moreover, these investments not only aim to modernize infrastructure but also to stimulate economic activity through job creation and industry growth. By prioritizing these initiatives, the government aims to transform the railway sector into a more efficient, safe, and passenger-friendly mode of transportation, contributing to India's overall economic development and connectivity goals.

Power Sector

In the upcoming 2024 budget the government is set to prioritize increasing coal production over the next five years to meet growing energy demands, particularly in thermal power generation. Key initiatives in the budget are expected to include incentivizing coal gasification projects to enhance fuel efficiency and reduce environmental impact. The auctioning of coal mines to private players aims to stimulate investment in infrastructure and technology, thereby boosting productivity and operational efficiency in the coal sector.

By fostering demands and through coal mine auctions and promoting technological advancements like coal gasification, India aims to bolster its energy infrastructure, meet rising electricity demands, and pave the way for sustainable growth in the power sector. These strategic investments are poised to play a pivotal role in India's economic development trajectory in the coming fiscal year.

Key Focus Areas: Fiscal Consolidation

The budget is expected to strike a balance between fostering economic growth and maintaining fiscal discipline. This will involve measures to control inflation, which has emerged as a major concern for households. Additionally, job creation will be a top priority, with the government likely to announce initiatives to boost employment opportunities across sectors.

In the interim budget in Feb-24, the Government displayed well its will to balance fiscal prudence with economic growth in FY25. Continuing the path of fiscal consolidation for the fourth consecutive year, the interim budget announced a 70-bps reduction in fiscal deficit to GDP ratio to 5.1% in FY25 from 5.8% in FY24 (vs. BE of 5.9%). The impetus on sustaining growth momentum via government's focus on capex remained in place. The budget stayed clear of announcing any new policies or populist measures and displayed more of 'business as usual' character in a bid to keep the fiscal machinery rolling till the full budget is announced in Jun/Jul-24.

In the current scenario, two important developments have taken place on the fiscal front:

- Higher than projected tax revenues in the first quarter of the year which may induce the government to increase its tax collection estimates

- Substantially high dividend from RBI of Rs 2.1 tn

Such additional inflows in the current year may support additional spending on welfare and also on capital expenditure.

At the same time, we expect the government to demonstrate its commitment to fiscal consolidation by not just sticking to the glidepath of 4.5% fiscal deficit by FY26 but also making an effort to improve on it.

While the disinvestment programme of the government is uncertain at this point, we may see some measures to step up on asset monetization in the current year.

Key Focus Areas: Agricultural Sector

The agricultural policies of India need to be focussed on improving the incomes of farmers while also ensuring food security for India.

The agriculture sector in India has significant expectations for Budget 2024. A central focus is on significantly boosting agricultural exports to $100 billion in the next three years. This may require the creation of district export hubs to streamline the process and potentially access new markets. New measures may be announced to promote horticulture, marine and animal husbandry exports. For example, a National Goat and Sheep Mission is proposed to promote meat production and exports.

Another important priority area for the government is to expedite the development of rural infrastructure. This is critical for efficient transportation and storage of agricultural produce, thereby ensuring better pricing for farmers, lower wastages and lower food shortages. Roads, bridges, storage facilities, cold chains, and veterinary services are all seen as critical areas for improvement. Additionally, increased funding for agricultural research is envisioned to improve crop yields and farm practices.

Direct support to farmers can also be a priority for the government. Proposals include raising the PM-KISAN scheme instalments from the current level of Rs 6,000 per year. The outlay for PMAY in rural areas may also be further increased to support housing needs and better quality of lives in the rural areas.

Subsidies for bio and foliar fertilizers are also likely aimed at encouraging environmentally friendly agricultural practices.

The government is likely to launch the 'Agri Fund for Startups and Rural Enterprises' to support entrepreneurs in the rural domain. The fund would make sector-neutral investments, debt alternative Investment Funds (AIFs) and provide direct equity support to start-ups in the agriculture and related industries.

Looking beyond immediate needs, there is also a need of significant reforms in the agricultural sector. There are proposals such as the dissolution of the current MSP committee and its replacement with a new policy framework to provide price stability to famers. Additionally, changes to centrally sponsored schemes are suggested, with the central government taking on a larger share (90%) of the funding for human resource development in agriculture. Given the high political sensitivity to such reforms, it remains to be seen if any such important reforms are proposed in the current budget.

Key Focus Areas: Sustainability Goals

In the Union Budget of 2024, expectations for the sustainability sector encompass a broad range of initiatives aimed at promoting environmental stewardship, fostering green technologies, and achieving sustainable development goals. Key expectations include significant investments in renewable energy infrastructure such as solar, wind, hydro, and biomass to reduce dependency on fossil fuels and mitigate climate change impacts.

The budget is anticipated to include incentives and subsidies for the adoption of energy-efficient technologies and practices across industries, aiming to improve resource efficiency and reduce carbon emissions that aims to reach net zero by 2070. The focus on sustainability includes enhancing solid waste management and promoting biogas initiatives. The budget is expected to allocate resources for:

- Improving waste collection, recycling infrastructure, and waste-to-energy projects to reduce landfill dependence and environmental pollution.
- Incentives for biogas production and distribution can be introduced, aiming to harness organic waste for renewable energy, thereby advancing clean energy access and rural development.

Renewable Energy

The upcoming Budget 2024 has placed a strong emphasis on renewable energy sources. This focus aligns with global trends towards sustainability and reducing carbon footprints. Renewable energy is a cornerstone of India's green transition, with the government committing to ambitious targets in solar, wind, and bioenergy. The budget will support the installation of rooftop solar systems for 10 Mn households and viability gap funding for 1,000 MW offshore wind projects. Additionally, new schemes will promote bioenergy, aligning with India's goal of achieving net zero by 2070. Further, the budget is anticipated to include incentives and subsidies to support the expansion of solar, wind, hydro, and biomass energy capacities, aligned with national renewable energy targets. Investments in grid infrastructure and smart grid technologies are expected to facilitate the integration of renewable energy sources and enhance grid stability.

Electric Vehicles

The demand for EVs has been lacklustre in the last two quarters possibly due to lack of clarity on the expiring subsidy scheme, FAME (Faster Adoption & Manufacturing of Electric Vehicles). The government is expected to renew and expand the FAME scheme to sustain the momentum of EV adoption with a target of 30% of total vehicle sales in 2030 to come from EVs.

The government is also expected to take meaningful steps to facilitate the development of charging infrastructure particularly for Car EVs. Lack of adequate charging infrastructure has continued to be a major bottleneck in higher penetration of 4W EVs in India.

The upcoming budget is also expected to include a boost for clean energy with incentives for battery recycling. This recycling is key for both a smooth switch to clean energy and a circular economy where resources are reused. The battery industry hopes for measures that make recycled batteries more attractive, like a lower tax rate on used lithium-ion batteries. They also expect more funding to be directed towards research on better battery recycling technology and infrastructure. By building a strong domestic battery recycling industry, we can not only help local businesses grow but also reduce our reliance on imports.

On the issue of the continuing dependence on coal for power generation, the government may adopt some measures to reduce its high usage and lower emissions. There is a proposal to mandate coal thermal power plants to procure 5% of their power generation from agricultural residue.

Key Focus Areas: Miscellaneous Sectors

Real Estate

In the upcoming Union Budget of 2024, the real estate sector is hoping for measures to revitalize and sustain its growth in a dynamic market. A key focus is on making homes more affordable and appealing to buyers. This could include tax breaks or subsidies for those buying affordable homes. The aim is to increase home ownership and boost demand for homes.

Investment in infrastructure is also seen as crucial. The sector expects funding for urban infrastructure projects, such as roads, metro lines, and sanitation facilities. These improvements would not only make it easier to get around, but also make these areas more attractive places to live and work, which could increase property values.

The budget is expected to allocate more money for affordable housing initiatives, such as the Pradhan Mantri Awas Yojana (PMAY). A key priority could be to expand housing projects to include areas currently occupied by slums and chawls. This would help improve living standards for people in these areas.

Financial Services

The financial services sector is looking to the 2024 Union Budget for measures that boost efficiency, investor confidence, and financial inclusion. This could include policies to:

- Grow insurance: Initiatives that increase insurance adoption and introduce innovative products are anticipated.
- Strengthen regulation: Enhanced oversight and consumer protection measures are expected to build trust and transparency.
- Embrace innovation: Support for fintech startups, digital payments, and regulatory sandboxes could revolutionize access to financial services.

Overall, the budget is likely to prioritize creating a more efficient, inclusive, and trustworthy financial landscape for all.

Healthcare & Pharma

The Government of India can allocate more funds for research and development to introduce better and more cost-effective medicines, healthcare funding, and innovation in pharmaceuticals in health sectors to address the dynamic healthcare needs of India. As India prepares for the 2024 budget, the focus on the Pharma and Healthcare sectors is clear where the Ayushman Bharat scheme will receive increased support, aiming to extend health coverage to vulnerable populations. Efforts will also be directed towards expanding RNA vaccine usage and enhancing vaccination against diseases like cervical cancer. The budget will sustain support for pharmaceutical innovation while introducing initiatives to improve health insurance access for the poor and lower-income groups, ensuring broader healthcare inclusivity and resilience.

Tourism

The Travel & Tourism industry has been growing at a healthy rate post-pandemic. The upcoming Union Budget 2024-2025 offers an opportunity for the Hon'ble Finance Minister to build on this momentum. Strategic investments in this sector can unlock economic opportunities, boost employment, and enhance the competitiveness of India's tourism landscape. Some of the key aspects like uniform GST on hotel rates, Registrations of OTAs (Online Travel Agents) which will streamline the operations and enhance efficiency.

Education

Expectations for the education sector in the Union Budget of 2024 revolve around enhancing access, quality, and affordability across all levels of education. The budget is anticipated to allocate funds for infrastructure development, including the construction and upgrading of schools, colleges, and vocational training centres, particularly in underserved areas. There is a strong call for investments in digital infrastructure and online learning platforms to support remote education and digital literacy initiatives. The government has also established a seven-member expert committee to review and propose improvements for the structure and operations of the NTA. This initiative can aim to reform the examination process and enhance data security protocols, with plans to implement these changes before the next examination cycle. Further, we expect that the newly elected government to increase investments in skill development and focus more on digital infrastructure.

Information Technology

In the upcoming Union Budget of 2024, expectations for the IT sector are centred around several key areas crucial for sustaining and enhancing its growth trajectory. Key priorities include continued investment in digital infrastructure to bolster broadband connectivity, data centres, and cybersecurity measures, supporting India's digital transformation across industries.

There is anticipation for incentives and support aimed at advancing emerging technologies like AI, IoT, blockchain, and cybersecurity, reinforcing India's global competitive edge in these fields. Additionally, emphasis on skill development programs is anticipated to address the talent gap in emerging technologies, ensuring a skilled workforce.

Digitization of the Litigation Process:

As India undergoes digital transformation in various sectors, the digitization of the customs litigation process is becoming a crucial area for reform sought after by businesses in India. The Union Budget 2024-25 provides an opportune moment to implement measures to digitize and facilitate customs litigation. This could greatly improve efficiency, transparency, and the ease of doing business.

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