

Ministry of Finance



PREFACE OF ECONOMIC SURVEY 2024-25

PREFACE UNDERLINES DEREGULATION AS UNDERPINNING THEME OF ECONOMIC SURVEY 2024-25

INDIA NEEDS TO MAKE AN ALL OUT EFFORT TO
ATTRACT, PROMOTE AND FACILITATE FURTHER
DOMESTIC AND FOREIGN INVESTMENTS TO BECOME A
COMPETITIVE AND INNOVATIVE ECONOMY: ECONOMIC
SURVEY

“INDIA MUST FOCUS ON CLIMATE CHANGE ADAPTATION
THAN ON EMISSION MITIGATION”

SURVEY SUGGESTS ESTABLISHING ARTIFICIAL
INTELLIGENCE CENTRES FOR EXCELLANCE (COE) AT
TOP EDUCATIONAL INSTITUTIONS ACROSS INDIA

SURVEY ENDORSES NURTURING MENTAL, EMOTIONAL
AND PHYSICAL NEEDS OF INDIAN YOUTH THROUGH
ENFORCEMENT OF STRINGENT FRONT-OF-THE-PACK
LABELING RULES ALARMING CONSUMPTION OF ULTRA-
PROCESSED FOODS

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The Preface of the Economic Survey 2024-25, tabled in Parliament today by Union Minister for Finance and Corporate Affairs Smt. Nirmala Sitharaman, argues for a philosophical approach to governance by rolling back regulations significantly to accelerate economic growth and employment amidst unprecedented global challenges.

The Preface to the Survey observes that the world is evolving more rapidly than anticipated, with the year 2024 having witnessed political and economic uncertainties world over, especially Europe, and with elections in three big democracies – India, USA and Indonesia.

Deregulation Stimulus

The Economic Survey argues, “Getting out of the way and allowing businesses to focus on their core mission is a significant contribution that governments around the country can make to foster innovation and enhance competitiveness.”

The Survey prescribes a **Deregulation Stimulus** to raise the growth average in the next two decades that require reaping the demographic dividend.

The Survey further argues that the Government needs to embrace risk-based regulations and change the operating principle of regulations from ‘guilty until proven innocent’ to ‘innocent until proven guilty’. Adding layers of operational conditions to policies to prevent abuse makes them incomprehensible and regulations needlessly complicated, taking them further from their original purposes and intents.

The Survey also delves into building a trust-based society to achieve economy of scale, just as the information technology sector and the startup ecosystem that emerged in Bengaluru in the ninties. Thereby, the Survey states, “It is a good bet that India public will overcome the challenges and turn them into opportunities on the way to *Viksit Bharat* by 2047.

Facilitating Strategic Investments

In the ecology of developing, developed and Emerging Market Economies, the Survey states that the era of rapid world trade growth has passed and India needs to make an all out effort to attract, promote and facilitate further domestic and foreign investments to become a competitive and innovative economy. The Survey also suggests that private sector strategic investments in strengthening domestic supply-chain capability and resilience will help in the long-term.

Noting the reality of global challenges, the Survey Preface states that domestic growth levers will be relatively more important than external ones in the coming years.

Climate Change and Energy Transition

The Survey lays great emphasis on the role of public policy in energy security and energy affordability in enhancing and maintaining competitiveness in the backdrop of climate change. The Survey argues for India charting its own path to energy transition and diversification away from fossil fuels as electric mobility makes economic sense due to abundant renewable energy and coal. More importantly, the Survey argues, public transportation is a more efficient alternative for viable energy transition given India’s vast size and limited land availability.

The Survey notes that India's energy transition plans must be mindful of geographical vulnerabilities and avoid deepening India's dependence on external sources for critical imports. The Survey argues for India to focus on adaptation than on emission mitigation.

Skilling and Education

The Survey states that for India's youth to take advantage of technological advances such as Artificial Intelligence, skilling and education must enable youth to stay one step ahead of the technological developments to minimise or even eliminate its potential adverse impact on employment, and might even help in augmenting employment. The Survey also suggests establishing **Artificial Intelligence Centres for Excellance (CoE)** at top educational institutions across India with a Rs. 1 lakh crore financing corpus to catalyse private sector innovation and R&D in sunrise sectors.

Artificial Intelligence

Taking a balanced view on Artificial Intelligence (AI), the Survey argues that AI is not applicable as one for all solution and it does not apply to all the countries unequivocally, particularly so for a labour-rich country like India.

Healthy Eating: Healthy Living

In the backdrop of India's rising and alarming consumption of ultra-processed foods (High in Fat, Salt and Sugar or HFSS), the Survey endorses nurturing the mental, emotional and physical needs of the Indian youth through enforcement of stringent front-of-the-pack labeling rules to release their vast potential. The Survey states that globally self-regulation has been ineffective to curtail this phenomenon.

Policy Priorities for Women, Farmers, Youth and Poor

The Survey posits that facilitating productive and enhanced participation of women, farmers, youth and poor in economic activity is the litmus test of inclusive development policies. **For Youth**, the Survey argues for focus on investment in education, skill, and physical and mental health. **To bring Poor from the periphery to the centre of economic activity by advancing their income and living standards through empowerment**, the Survey argues to provide targeted support to improve their livelihoods and opportunities. **For Women**, the Survey advocates to the Centre and the State Governments to eliminate legal and regulatory hurdles that hold back their participation in the labour force besides undertaking facilitative measures.

Industrial Activity

The Survey notes the positive correlation between States that score high on the ‘Ease of Doing Business’ parameters and the level of industrial activity, and also stated that aspiring States will need to raise their industrialization quotient.

The Survey also celebrates the success story of indigenisation of the Production–Linked Incentive Scheme in in air-conditioners through Government intervention.

External Sector Challenges

The Survey also anticipates challenges that India will face in the near future, such as threat of restrictive trade policies that have potential to reduce India’s exports and widen the current account deficit.

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