

Uttar Pradesh Budget 2025: AI-Powered Blueprint For State's Development

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The government has proposed the establishment of an Artificial Intelligence City, which will serve as a hub for AI research and development, fostering innovation in automation, machine learning, and data analytics. Representational image/Shutterstock

With a record-breaking allocation of Rs 8,08,736 crore, the Uttar Pradesh Budget 2025 is a transformation, analysts said. Presented by finance minister [Suresh Kumar Khanna](#), the budget not only strengthens key sectors like agriculture, MSMEs, and infrastructure but also pioneers investments in artificial intelligence, cybersecurity, and Smart Cities, they added.

While the opposition Samajwadi Party (SP) dismissed it as ineffective, several experts labelled it a transformative “AI-powered budget” that paves the way for Uttar Pradesh’s technological and industrial evolution.

A budget for holistic growth

In his budget speech, Khanna emphasised the government’s focus on fostering research, development, and IT-driven growth, ensuring that Uttar Pradesh keeps pace with the rapid technological transformations occurring globally. “This budget is a reflection of our commitment to making Uttar Pradesh a \$1 trillion economy by investing in key sectors that drive growth and employment,” Khanna stated. A significant 22% of the budget is allocated for infrastructure, 13% for education, 11% for agriculture and allied services, and 6% for healthcare. This strategic allocation highlights the government’s commitment to balancing economic growth with social welfare.

For the first time in the state’s history, the finance minister has utilised NITI Aayog’s estimates to evaluate fiscal performance, reinforcing a data-driven approach to governance. Professor AP Tiwari, economist and former head of the economics department at Dr Shakuntala Misra National Rehabilitation University, Lucknow, said, “The use of NITI Aayog’s fiscal estimates adds credibility and transparency to the budget, making it more accountable and aligned with national economic goals.” Moreover, the 9.8% increase in the budget compared to the previous year signals a strong push toward higher capital expenditure, essential for long-term economic sustainability, he said.

However, the opposition, led by Samajwadi Party (SP) chief Akhilesh Yadav, has sharply criticised the budget, questioning its vision and impact. Yadav remarked, “This was their (current UP government’s) second last budget. Next year, they will present their last budget, and after that, we will get the opportunity to choose a new government. This budget has no association with their manifesto. This budget, and all those before, have had no vision... The people think that the budget has not been presented at all.”