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Economic Survey 2024-25: Industry hails growth projections, calls for deregulation and AI push

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New Delhi [India], January 31 (ANI): Observers of India's economy and industry bodies have welcomed the projections of the Economic Survey 2025 which highlights the need for ease of doing business, infrastructure investment, and AI-driven workforce upskilling as priorities to sustain growth.

The Economic Survey, which was tabled in Parliament on Friday, projects India's GDP growth at 6.3-6.8 per cent for the next fiscal year.

The survey emphasises deregulation, investment in emerging technologies, and domestic manufacturing as key drivers for long-term economic sustainability.

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Chandrajit Banerjee, Director General, CII, lauded the survey's acknowledgement of the private sector's role in nation-building and economic acceleration. He emphasized the need for lowering the cost of doing business through deregulation, stating that "getting out of the way of business" is critical for fostering investment, job creation, and growth.

Banerjee also highlighted the survey's positive assessment of inflation trends and current account deficit levels, noting that these indicators reflect macroeconomic stability despite global challenges.

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Harsha Vardhan Agarwal, President, FICCI said, "It is heartening to note the emphasis the Economic Survey has placed on 'deregulation' and furthering the agenda of ease of doing business in the country. The survey has highlighted that 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 Economic Survey indicates that there are many upsides to domestic investment and output growth. The fundamentals of the domestic economy remain robust, with a strong external account, calibrated fiscal consolidation and stable private consumption," said Hemant Jain, President, PHD Chamber of Commerce and Industry.

According to DK Srivastava, Chief Policy Advisor, EY India, the survey signals a marginal deceleration in GDP growth, with the mid-point estimate for 2025-26 at 6.55 per cent compared to 6.75 per cent for 2024-25.

He said, "The survey provides a long-term view of India's general government finances. It indicates that the size of general government has progressively increased to nearly 31 per cent of GDP in 2023-24 (RE) which is significantly higher than 27% in 2019-20."

The survey also underscores India's struggle to expand its share in global manufacturing, currently at just 2.8 per cent compared to China's 28.8 per cent. Srivastava urged a targeted policy approach that leverages India's digital economy and human capital to capitalize on technological advancements, including AI, robotics, and biotechnology.

Piyush Doshi, Operating Partner, Foundation for Economic Development, described deregulation as a critical enabler of investment and growth.

He said, "One of the most important aspects of this economic survey is its emphasis on deregulation as a critical enabler of investment and growth. The survey systematically lays out examples of opportunities for deregulation around critical factors of production like land, building, labour, logistics and utilities. If government is able to follow through on these ideas, investor confidence will soar, cost of doing business will come down, global competitiveness will increase and animal spirits will truly be unleashed."

Vivek Jalan, Partner, Tax Connect Advisory Services LLP, noted that simplifying tax norms (TDS/TCS), customs schemes, and GST regulations could further ease business operations.

He also pointed out India's reliance on global supply chains as a constraint on manufacturing growth, advocating for increased domestic production of raw materials and components.

The survey highlights artificial intelligence (AI) as both an opportunity and a challenge. CII's Banerjee stressed that while AI can drive innovation, policies must support workforce upskilling, curriculum updates, and new job creation in AI applications to prevent job displacement. (ANI)

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