

Economic Survey 2024-25: Deregulation, Strategic Investments, and AI for Growth

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Economic Survey Latest News

The **Economic Survey 2024-25**, tabled in Parliament by **Finance Minister Nirmala Sitharaman**, highlights **deregulation, strategic investments, artificial intelligence (AI), climate adaptation, and inclusive policies** as key pillars for economic growth.

The report underscores the need for **private-sector-led innovation, ease of doing business, and a shift in regulatory mindset** to propel India's economy forward.

Deregulation as a Growth Stimulus

The Survey advocates a **"Deregulation Stimulus"**, urging the government to **minimize bureaucratic red tape** and allow businesses to focus on innovation. It calls for:

- Shifting from a **"guilty until proven innocent"** regulatory approach to a **trust-based system**.
- Simplifying policies to make them more **transparent and accessible**.
- Enabling businesses to **scale up without excessive compliance burdens**.
- The Survey predicts that a **deregulation-driven economic environment** will help **unlock India's demographic dividend** and sustain growth over the next two decades.

Boosting Strategic Investments for Economic Competitiveness

- With global trade growth slowing down, the Survey emphasizes **domestic and foreign investments** to maintain India's economic momentum. It highlights:
 - **Encouraging private sector investments** to strengthen domestic supply chains.
 - **Attracting foreign capital** to enhance competitiveness.
 - **Developing infrastructure and industrial ecosystems** to support long-term growth.
- The Survey underscores that **domestic growth levers will play a more significant role** than external trade in the coming years.

Climate Change: Focus on Adaptation Over Mitigation

- India's energy transition strategy must prioritize **adaptation** rather than just **emission reduction**, according to the Survey. Key recommendations include:
 - **Diversifying energy sources** while balancing economic and environmental sustainability.
 - **Expanding public transportation** as an efficient alternative to private electric mobility.
 - **Avoiding over-reliance on imported resources** for energy security.
- With India's vast geography and resource constraints, the Survey argues that **localized adaptation strategies** will be more effective than global climate policies.

Artificial Intelligence: Driving India's Tech Innovation

- Recognizing AI's potential, the Survey suggests:
 - Establishing **AI Centres of Excellence (CoE)** in top educational institutions.
 - Creating a **₹1 lakh crore financing corpus** to support AI research and private-sector innovation.

- Acknowledging that AI may **not be a universal solution** for a labor-intensive economy like India.
- The Survey promotes a **balanced approach to AI adoption**, ensuring **employment preservation** while leveraging automation for economic gains.

Health and Nutrition: Tackling Processed Food Consumption

- The report raises concerns about the rising **consumption of ultra-processed foods (High in Fat, Salt, and Sugar - HFSS)** among Indian youth. It recommends:
 - **Stricter front-of-pack labeling** to inform consumers.
 - **Government regulations over self-regulation** in food standards.
 - **Policies to promote healthier eating habits** and physical well-being.
- The Survey emphasizes that **public health policies must align with economic growth strategies** to ensure a healthier workforce.

Inclusive Development: Women, Farmers, and Youth Empowerment

- For **inclusive growth**, the Survey highlights:
 - **Women's Participation:** Removing legal and regulatory barriers to increase labor force participation.
 - **Farmers' Welfare:** Supporting income growth and agricultural modernization.
 - **Youth Development:** Investing in education, skill-building, and mental health.
 - **Poverty Reduction:** Advancing economic inclusion through targeted welfare programs.
 - The Survey calls **inclusive participation the litmus test** of effective economic policies.

Industrial Growth and Ease of Doing Business

- The Survey identifies a **direct link between industrial activity and business-friendly policies**. It notes:
 - **States with high "Ease of Doing Business" scores** have stronger industrial growth.
 - **Aspiring states must improve industrial policies** to attract investments.
 - The **success of the Production-Linked Incentive (PLI) scheme** in sectors like air-conditioner manufacturing proves the impact of government intervention.
- The Survey suggests **expanding PLI incentives to other critical sectors**.

External Trade and Economic Challenges

- The Survey warns of **potential trade restrictions** that could impact India's export growth. Key risks include:
 - **Rising global protectionism** affecting market access.
 - **Widening current account deficit** due to import dependencies.
 - **Geopolitical uncertainties influencing trade agreements**.
- To mitigate these risks, India must focus on **self-reliance in strategic sectors** and **expanding domestic consumption**.

Conclusion: Towards "Viksit Bharat 2047"

The **Economic Survey 2025** presents a **bold vision** for India's growth, focusing on **deregulation, investment-driven expansion, AI innovation, climate adaptation, and inclusive development**.

By fostering a **trust-based business environment**, promoting **private sector-led growth**, and addressing **climate and social challenges**, India aims to **build a competitive and resilient economy** on its path to **"Viksit Bharat 2047"**.

Economic Survey 2024-25 FAQs

Q1. What is the main theme of the Economic Survey 2024-25?

Ans. The Survey emphasizes deregulation, strategic investments, AI-driven innovation, and climate adaptation as key drivers of economic growth.

Q2. What is the significance of deregulation in the Survey?

Ans. The Survey advocates a Deregulation Stimulus to simplify compliance, promote ease of doing business, and foster private-sector innovation.

Q3. How does the Survey address climate change?

Ans. It recommends focusing on adaptation over emission mitigation and promoting energy security through diversified sources.

Q4. What role does AI play in the Survey's recommendations?

Ans. The Survey suggests setting up AI Centres of Excellence, a ₹1 lakh crore fund, and a balanced AI adoption approach to drive innovation.

Q5. What measures are suggested for inclusive growth?

Ans. The Survey prioritizes women's workforce participation, youth skilling, farmer support, and poverty reduction through targeted policies.

Source: **PIB**

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