

# CHANGING WEATHER: Budget 2025-Reforms to boost demand and growth

As we enter 2025, the changing weather patterns and the escalating impact of climate change are becoming an urgent concern across the globe. Over the past few decades, the world has witnessed unprecedented shifts in weather patterns, from extreme heatwaves to intense storms, unpredictable rainfall, and rising sea levels. These changes are not just statistical anomalies; they are real, with significant consequences for ecosystems, economies, and human lives.

The year 2025 marks a critical point in the fight against climate change. Scientific models predict that the planet will continue to experience more frequent and severe weather events. Rising global temperatures, driven by human-induced greenhouse gas emissions, have contributed to the warming of the Earth's atmosphere, resulting in erratic weather behavior. While some regions are experiencing hotter-than-usual temperatures, others are seeing colder-than-average winters or unseasonal rainfall. These shifts are especially visible in areas that have historically enjoyed stable and predictable weather conditions.

One of the most significant impacts of the changing weather is on global food security. Erratic rainfall, droughts, and floods are making it difficult for farmers to maintain stable crop yields. Agriculture, particularly in regions dependent on seasonal weather patterns, is facing increasing uncertainty. This unpredictability in weather is damaging crops and raising food prices, leading to both short-term food shortages and long-term concerns about global food systems. For countries already grappling with poverty, these challenges are even more pronounced.

Another major concern in 2025 is the rising sea levels, which are a direct result of melting polar ice caps and glaciers. The increase in sea levels has already led to the inundation of low-lying coastal regions and islands, forcing communities to relocate. Cities like Jakarta, Miami, and Dhaka are experiencing coastal flooding, threatening homes, infrastructure, and local economies. The displacement of millions of people due to rising waters is expected to become one of the most significant global humanitarian crises in the coming years.

In 2025, addressing the changing weather patterns requires coordinated global efforts. Governments, industries, and individuals must prioritize the reduction of greenhouse gas emissions, transition to renewable energy sources, and promote sustainable practices. Adaptation strategies, such as building resilient infrastructure, protecting natural ecosystems, and improving water management, will also be essential in mitigating the impact of extreme weather events. International cooperation, as demonstrated in agreements like the Paris Agreement, will be critical in ensuring a collective and sustained response to the climate crisis.

The weather concerns of 2025 reflect a larger, more alarming trend of a rapidly changing climate. The time for action is now, as the effects of these shifts are already being felt around the world.

■ MOHAMMAD HANIEF

Despite global headwinds and domestic challenges, India's economy has been supported by strong consumption trends and steady private investments. However, targeted reforms are needed to maintain this momentum and address slowing growth.

Sectors such as health insurance, taxation, and mutual funds are particularly hopeful for policy changes that could increase financial inclusion and channel savings into productive investments. With the Union Budget 2025 around the corner, the union government has an opportunity to implement measures that not only stimulate demand but also align with the nation's broader economic objectives.

India's economy has demonstrated remarkable resilience, emerging as one of the fastest-growing major economies globally. However, the growth trajectory is showing signs of slowing, underscoring the urgent need to boost demand and accelerate economic expansion.

Experts project India's economy to grow by 6.5% to 7% in the financial year ending March 2025, falling short of the RBI's forecast of 7.2%. This marks a notable decline compared to the robust 8.2% growth recorded in FY23-24.

Against this backdrop, various stakeholders are pinning their hopes on specific reforms that can address the immediate challenges and pave the way for sustained growth. One of the most pressing demands from the sector has been the reduction of GST rates on health insurance policies, which currently stand at 18%. High premiums deter many middle-class families from purchasing adequate health coverage. Lowering GST to 5% or 12% could significantly reduce the cost of premiums, making health insurance more accessible and driving higher penetration. Such a move would align with the government's goal of universal health coverage under schemes like Ayushman Bharat.

Middle-class taxpayers are hoping for relief in income tax slabs, particularly for incomes up to ₹15 lakh. Currently, individuals earning between ₹7 lakh and ₹15 lakh are taxed at 20% or 30%, leaving little disposable income for savings and consumption. Rationalizing these slabs would put more money in the hands of consumers, spurring demand and boosting overall economic activity.



The Union Budget 2025 presents an opportunity to simplify India's capital gains tax structure, an approach that can enhance investor confidence and promote long-term wealth creation. The current framework, while effective in its broader objectives, can benefit from further clarity and uniformity to better serve the growing base of retail investors.

India's ambitious goal of achieving Net Zero emissions by 2070 requires substantial investments to transition to a sustainable and low-carbon economy. Tax breaks for ESG (Environmental, Social, and Governance) mutual funds can help mobilize domestic capital for green projects, aligning individual financial goals with the nation's sustainability objectives. These incentives could also attract foreign investments in renewable energy and infrastructure, reinforcing India's position as a leader in sustainable finance.

By focusing on areas such as financial inclusion, sustainable investing, and tax efficiency, the government can pave the way for a resilient economy. These measures will not only support immediate economic needs but also strengthen India's position as a global economic powerhouse for the future.

The upcoming Union Budget is anticipated to focus on enhancing investment in manufacturing, improving infrastructure, boosting employment opportunities, aiding the agricultural sector, providing a stable, dispute-free tax ecosystem and fostering innovation and

entrepreneurship.

The union government is expected to build upon the tax reforms announced in the previous budget. The prior budget included various amendments to rationalise provisions related to capital gains tax and Tax Deducted at Source (TDS). It is anticipated that this budget is likely to continue the trend of rationalisation, targeting greater simplification and clarity in tax laws.

To promote the 'Aatmanirbhar Bharat' campaign, one can expect introduction of certain targeted incentives aimed at boosting investments in Research and Development (R&D), as well as the manufacturing sector. Such measures are crucial in enhancing India's competitiveness and fostering innovation.

On the trade and customs front, a one-time custom amnesty scheme is widely anticipated, in line with similar amnesty on the GST and direct tax side earlier. The government is expected to maintain its strategy of increasing basic custom duties on various imported goods but reduce it on components of such goods, to further promote domestic manufacturing in India. Additionally, the government is expected to introduce more phase-wise manufacturing programmes to enhance local manufacturing capabilities.

Digital infrastructure providers have strongly advocated for reforms in power tariffs and the tax structure, emphasising the critical challenges faced by the telecom sector

that demand immediate attention in the upcoming budget.

As we approach the Union Budget 2025-2026, there is hope for a significant boost in budgetary allocation for education and skill development, ideally reaching 6% of GDP to align with the ambitions of NEP 2020. Such investment will be crucial for enhancing public-private partnerships, expanding skilling initiatives, and creating sustainable employment opportunities that contribute to individual empowerment and national economic growth.

The retail sector is looking to the government for targeted reforms that can drive consumption and economic resilience. Key measures such as low-interest financing, tax relief, and an accelerated rollout of the National Retail Policy are expected to address structural gaps and enhance ease of doing business.

These changes will foster growth and formalisation within the sector, while boosting consumer sentiment. Additionally, extending MSME benefits to retail and wholesale traders, alongside recognizing the F&B retail sector as an essential service, will be pivotal in supporting broader economic objectives and strengthening sectoral growth.

A persistent theme across recent budgets has been the need for job creation. Incentives for labour-intensive sectors such as food, garments, and automotive components are required for the importance of vocational training for youth in emerging fields like electric vehicle maintenance and rooftop solar ecosystems.

Industry stakeholders are optimistic about Union Budget 2025-26, anticipating major announcements to boost railway freight operations and infrastructure development. Key expectations include mega wagon orders, increased funding for safety and technology, and the deployment of advanced 12,000 HP electric locomotives.

Key priorities include boosting domestic API and bio similar production to reduce import dependency, strategic investments in healthcare manufacturing and infrastructure, and streamlined regulatory frameworks to fast-track innovation. Strengthening public-private partnerships and leveraging technology can ensure affordable and accessible healthcare for all.

## J&K's lackadaisical growth story

■ RAMESHWAR SINGH JAMWAL

Chief Minister Omar Abdullah, while holding the charge of Finance Ministry is expected to present his first budget on 3rd March 2025, after Jammu and Kashmir (J&K) got an assembly and popular government in 2024, after a gap of about ten years. The Chief Minister Mr. Omar Abdullah and a host of politicians from other parties are clamoring for restoration of Statehood, a demand acknowledged by the top leadership of the country with a promise of restoration but with no time frame. This demand is being raised vociferously by the local leadership on the premise that two power centers are impeding its growth and only a full-fledged state can grow and compete with other states. It is in this context that new budget and the promises it will hold for ushering in a new growth era in J&K would be interesting to watch. But at present, we have to study the other state models and ponder as to where we have lagged behind in giving a better life to the residents of J&K. My visits to other small states like Sikkim, Uttarakhand and now Goa, the second one in eight years, has given me an opportunity to study and analyse the

massive economic trajectory these tiny Indian states have achieved, especially Goa, in a short span of time. It may be mentioned that Goa is a state in western India with a population of approximately 1.5 million as of 2021 and the mainstay of economy is supposed to be tourism like J&K but the other fields which has propelled its development have not been recognized fully. The state has an area of just 3,702 square kilometers while J&K, the northern most Indian UT has a population of around 1.25 crores and an area of 42,241 square kilometers and by these yardsticks its economy should have been at least ten times bigger than that of Goa but it is so, let us analyse.

Goa's economic growth is driven by the strong performance of its industrial sectors such as fishing, agriculture, tourism, and pharmaceuticals. It has just five Municipal committees while the rest of state is still governed by its Panchayats, which are far more developed and efficient than our Municipal Corporations or Municipalities.

At current prices, Goa's Gross State Domestic Product (GSDP) (budget estimate) is expected to stand at Rs. 1,21,309.02 crore (US\$ 14.65 billion)

in 2024-25. At current prices, Goa's Gross State Domestic Product (GSDP) was Rs. 914.16 billion (US\$ 11.15 billion) in 2022-23. The GSDP (in Rs.) increased at a CAGR of 9.17% between 2016-17 and 2024-25.

As of FY25 (April-August), Goa had a total installed power generation capacity of 652.71 MW, of which thermal power plants accounted for a significant share in the total installed capacity with 559.96 MW, whereas nuclear and renewable energy contributed 41.68 MW and 49.07 MW, respectively. Goa is one of the few states in India to achieve 100% rural electrification.

Goa has a well-developed social, physical, and industrial infrastructure and a far more efficient virtual connectivity than that of J&K. It has two international airports, and also has an established base for the pharmaceuticals industry and an emerging destination for knowledge-based industries such as biotechnology and IT.

According to the Department for Promotion of Industry and Internal Trade (DPIIT), Foreign Direct Investment (FDI) inflow in the state stood at US\$ 165.57 million between October 2019-June 2024.

On the contrary Jammu and Kashmir (J&K) is a Union Territory (UT) of India, located in the country's northern part, and a global tourist destination, just like Goa. In addition to traditional recreational tourism, a vast scope exists for adventure, pilgrimage, spiritual, and health tourism, which potential areas have not been tapped fully. The economy of J&K is primarily services based, where employees number more than five lacs, and the GSDP of J&K has been estimated at Rs. 2.30 trillion (US\$ 27.70 billion) in 2023-24. The UT's GSDP increased at a CAGR of 7.53% between 2018-19 and 2023-24, which is about 2% less than the GSDP Growth of Goa. J&K has vast natural resources water resources for generating Power and had a total installed power-generation capacity of 3,581.99 MW, comprising 1,866.08 MW under central utilities, 1,573.67 MW (state utilities) and 142.24 MW (private utilities). The natural resources of J&K, coupled with its potentiality in religious tourism could have enabled it to develop at a much faster growth but something is amiss in J&K's growth potentiality. As of August 2024, total exports from J&K stood at just US\$ 33.65 million in FY25 (Until

August) and a record number of 1.08 crore tourists visited Jammu and Kashmir, marking an all-time high. This surge in tourism in the state was achieved by remarkable growth following the removal of Article 370.

Though Omar Abdullah, unlike his previous term seems to have matured politically, than his other compatriot politicians in J&K but to achieve better results in governance, you need a well and efficiently oiled state machinery, from visionary and honest politicians to dedicated and honest bureaucrats and their willingness and capacity to provide Good Governance, that can enhance the life of citizens, take the UT to new heights of growth trajectory and act as a well working wheel in India's success story, to make it a developed nation by 2047, a goal set by the Prime Minister Narendra Modi. Why no major industry is ready to come to J&K, no efficient bureaucrat is allowed to utilize his potentiality, no real success is achieved in curbing inefficiency and corruption, no major infrastructural development is initiated and executed at our own level, except where centre is funding the projects and no willingness to improve the quality of governance, are the questions

which he will have to find answers. It was not without any reason and justification when the former Chief Secretary of the UT of J&K, Mr. B.V.R. Subramaniam, had made a sensational remark that J&K was one of the worst governed parts of India. He had said that Jammu and Kashmir was a "broken state" and there was "no system" in place due to years of mis-governance, corruption and "unbelievable levels of fraud" committed by leaders of mainstream parties and separatist organizations. He had further said that said frauds in Jammu and Kashmir were at "unbelievable levels" in jobs, in projects, and everywhere. Things have not changed after his leaving the office and rather there are questions being raised about the speed at which reforms should have ushered in. To make J&K really progressive and better for its citizens, these questions will have to be addressed by Chief Minister Omar Abdullah and he is required to analyse and introspect as to what requires to be done if he is really serious about his people, which include those from Jammu region as well.

(The author is a practicing Advocate of J&K)

## Exploring Agro-ecotourism Treasure in J&K

■ DR. BANARSI LAL

Union Territory of J&K is a land of undulating hills and plains with a luxuriant green cover, exotic flora and fauna, folk music, cuisines and tribal culture making it a unique land for agro-ecotourism. Hills and mountains dominate the region. Agro-ecotourism is becoming a new way of life to fulfill the desire of enjoying a peaceful and pollution free vacations of people of urban areas. J&K is blessed with hills, rivers, greenery and diverse cultures from different communities. The region has enormous scope for the growth of agro-ecotourism with local arts and crafts, fairs and festivals and natural beauty that can attract tourists across the globe. Thus J&K can become an attractive agro-ecotourism destination for the tourists. Tourism is one of the major sectors of the Union Territory of J&K for the economic growth and development. Agro-ecotourism (AET) is the latest concept in the Indian tourism industry. It normally occurs on farms and is associated with the agriculture. J&K has an immense potential in agro-ecotourism for the economic growth and environmental protection. It is the symbiotic association of farming sector, tourism industry and farm business. It can create the job opportunities for the rural people. Fairs and festivals can be used for attracting more tourists. Adventurous activities, jun-

gle safari, pilgrimage tours, mountaineering, gardens tours etc. open the massive scope of agro-ecotourism in J&K. The concept of agro-ecotourism entails visiting a working farm or any agriculture, horticulture or agribusiness operation, for the purpose of leisure, refreshment, recreation, education and active involvement in the activities of the agriculture including agricultural operations, fishing, dining and celebrating local festivals with the farming communities. The development of agro-ecotourism is primarily aimed to give awareness and knowledge on conservation of environment and natural resources in a participatory mode with farmers and to improve their socio-economic status. Jammu and Kashmir has tremendous potential for agro-ecotourism due to its unique heritage, culture and natural attractions. Agro-ecotourism is possible in J&K where about 80 per cent people reside in the villages. It can create new jobs in rural areas, attract many youths for rural employment and can slow down the migration of rural people towards the urban areas. Indeed, the economic activity occurs when people link travel with agricultural products, services or experiences to cater the needs of mutual demands. Agro-ecotourism (AET) provides an opportunity to experience the real enchanting and authentic contact with the rural life, taste the traditional food and get

experienced with the various farming tasks. This tourism enterprise keeps the tourists relaxed and helps to revitalize in the pure natural environment, surrounded by magnificent agricultural setting. It would also provide tourists with an opportunity to be close to where about 70% of Indians live.

Union territory of Jammu and Kashmir has a brand image of being green and it is blessed with an immense natural beauty. Developing agro-ecotourism in this Union Territory is much easier than many other states/UTs. But this has not been happened in this beautiful UT. Farmers can be trained at the Krishi Vigyan Kendras (KVKs) of the UT for agro-ecotourism before they on for this venture. J&K government can support the farmers for the trainings and provide assistance them for agro-ecotourism. J&K is one of the most beautiful tourists' destinations in the world. This beautiful Union Territory (UT) is characterized by scenic beauty, folded mountains, gushing fountains, cool pollution free breeze, deep gorges, rich wild life, natural waterfalls, alpine pastures, lush green forests, snow clad fields, carpet green turfs, lofty skying grounds, charming gardens, shimmering lakes, apple orchards, benevolent people etc. The industrial sector in J&K is not well developed and Agro-ecotourism (AET) can play a significant role for the

upliftment of the rural economy of the UT. It can improve the quality of life of the rural people of J&K. Agro-eco-tourism (AET) entrepreneurship has gained importance as it is seen as a major driving force behind Agro-eco-tourism (AET). J&K has lot to offer to the tourists across the globe because of its scenic beauty, a kaleidoscope of traditions, a variety of cultures and an array of opportunities to explore the outdoors activities through sporting and adventure activities. J&K possess rich diversity of flora and fauna and there are large numbers of international and domestic tourists' destinations throughout the Union Territory. J&K is one of the most important places in terms of tourism in India. Religious places like Raghunath Temple, Amarnath, Mata Vaishno Devi shrine, Shiv Khori Shrine, Baba Aghar Jitto Ji, Siarh Baba, Nao Devian, Deva Mai, Dhansar Baba etc. are in J&K and pilgrims from across the globe used to visit these spots throughout the year and pay homage.

There is need to investigate and document the status of AET models in J&K, to study the sustainability of agro-ecotourism model and to promote the agri-tourism entrepreneurship in J&K. Plash (Butea Monosperma) and Kachnar (Bouhnia Bahalai) can be useful to make eco-friendly cup and plates and by establishing such types of units employment can be created in

the rural areas of J&K. Cottages for lodging and dining of the visitors can be constructed. Horticultural crops nursery activities can be promoted to educate the visitors or tourists about plant propagation techniques. As J&K is rich in biodiversity so biodiversity parks can be established. Bamboo/wooden handicrafts units can also be established in J&K. Rural museums containing the villages' ancestral items can also attract the tourists in J&K. Tourists now-a-days prefer environment friendly tourism and they are ready to pay more for it. Agro-ecotourism will provide not only the employment to the locals but also prevent the migration in the urban areas. It can help to reduce the poverty in the hilly areas of J&K. It will also help to promote the biodiversity and boost the dignity of the farmers. Agro eco- tourism is different from other sectors of industry. The agro-ecotourism industry can earn a huge amount of money and thus can enhance the income and employment in the rural areas of J&K. It can thus be a source of aid from within the Union Territory, country and out of country. Agro eco-tourism is directly helpful in correcting UT's economic position and thus can divert the rural people towards progress. Through Agro ecotourism, government can gain more economic profits from taxes on things tourists use and buy. Agro-ecotourism can become a major sec-

tor influencing all aspects of the rural people. Government should take proper measures for creating framework for the promotion of agro-ecotourism in J&K. The technical expertise is also required for successful promotion of agro-ecotourism and for that purpose Krishi Vigyan Kendras (KVKs) of SKUAST-J and SKAUST-J can play the pivotal role. There is need of proper planning and effective legislation for resource conservation and balanced developmental activities for the promotion of Agro-ecotourism in J&K. Systematic research on development of ecofriendly and sustainable Agro-eco-tourism models to improve the farm income and improve the socio-economic status of the farmers of hilly areas is also needed. There is need to promote the sustainable and ecofriendly Agro-eco-tourism models. There is also need to impart knowledge on sustainable Agro-eco-tourism practices through awareness, trainings and demonstrations. Agro-ecotourism can bring back the farmers specially the rural youths of J&K towards farms. There is need to focus on community involvement, prioritization of the domestic tourism sector, promotion of agro-ecotourism infrastructure, enhancement of tourists facilities and services, extension of agro ecotourism based education and training of the sector.

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