

Knowledge Centre >> Articles >> Budget

Budget

Budget 2022: Thinking smart, planning big, and moving ahead cautiously

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The Union Budget 2022 is a significant departure point in the economic planning for a long term horizon. It has laid the roadmap for the next 25 years in terms of the country's overall growth.



Union Budget 2022-23, announced on February 1, 2022, by Finance Minister (FM) Nirmala Sitharaman, focused strongly on strengthening the fundamentals of the economy like infrastructure development, employment generation, connectivity, and education. Infrastructure development has been one of the key tools for the government to fuel economic growth, generate employment, circulate capital in the economy, and uplift people's living standards. This year too, the government has shown strong commitment towards infrastructure development and exhibited its unwavering commitment towards the sector. However, the industry will be keenly looking forward to the finer points of the blueprint that government has for each sector and the overall economy.

The allocation of Rs 20,000 crore to expand highways by 25,000 km this year is indeed an ambitious and encouraging move for the sector. This is almost two times the target in the previous year's budget. This will not only be a boost for the highway's construction and operation companies but will also benefit various allied sectors like construction material, logistics, and manpower. It will increase connectivity to new areas and fuel economic growth. This economic growth will lead to commercial and residential real estate demand.

Developing four multimodal logistics parks and 400 Vande Bharat trains will improve connectivity for people, goods, and services. Connectivity and real estate development go hand in hand. The plans for developing Electric Vehicle (EV) charging stations and battery swapping will help the transport sector, and the benefits will ultimately boil down to the infrastructure sector.

The [affordable housing](#) segment provides an ocean of opportunities for the real estate sector. The budget has made provision for the construction of 80 lakh new houses in the affordable housing sector. Although the allotted Rs 48,000 crore is specifically for affordable housing, it will provide a solid push to the entire real estate sector. Besides creating thousands of jobs and fulfilling the aspirations of millions of Indians, this provision in the budget will help various other industries to grow. Cement, steel, timber, construction machinery, workforce, and several other related sectors will reap the benefits.

The integration of the PM Gati Shakti and the national infrastructure pipeline project will significantly affect the infrastructure sector. This amalgamation will provide the technological backbone, investments, and streamlining of processes to the sector. The infrastructure sector has long suffered from delays in approvals, overlapping of processes, wastage, and conflict of interest from several quarters. Combining the two flagship government schemes is expected to be a game-changing move for the sector. Hopefully, the days of seeing a newly constructed road dug up to lay water pipeline is gone.

The 'Har Ghar Nal Se Jal' scheme has remained a focus area in the budget. Rs 60,000 crore allotted in the budget for this scheme will help strengthen infrastructure at the grassroots level. Safe water to 8.7 crore [households](#) will raise their living standards and help prevent various water-borne diseases. This, in turn, will help reduce the burden on the healthcare infrastructure significantly.

The push for digitization of education, the tele-mental-healthcare program, and the initiation of 75 Digital Banking Units (DBUs) is an indirect impetus to the digital infrastructure.

The Union Budget 2022 has announced various ambitious schemes and increased the budget for numerous ongoing schemes. To fund infrastructure development and other welfare schemes, the government needs to encourage more private players to join hands and bring in capital as well as technical expertise. It is also advisable to have a stable policy regime so that more foreign investment could flow into the country.