

Media Coverage

Publication	Date	Edition	Link	Headline
Media catalyst	13 Nov 2020	Online	https://www.mediacatalyst.in/atmanirbhar-bharat-3-0-will-it-be-the-turning-point-for-the-indian-economy/	Recruitment Staffing Market is Thriving Worldwide: Genius Consultants, Allegis, Team Lease



Honourable Finance Minister Nirmala Sitharaman made a series of 12 announcements under Atmanirbhar Bharat 3.0 providing a stimulus of Rs 2.65 lakh crore by the government of India. The announcements and stimulus become more important when the Indian economy has entered into a technical recession for the first time in history in the first half of this fiscal with two successive quarters of negative growth due to the Covid-19 pandemic.

Atmanirbhar Bharat 3.0 - Finance Minister

The 12 announcements primarily focused on reviving employment, and industries including agriculture, manufacturing, housing, and real estate, and MSMEs. The recent announcements have called forth responses from industry leaders. The experts believe that the recent announcement and stimulus will lead to more money in the hands of consumers thereby contributing towards economic revival.

The industry leaders believe that the economic recovery in the current state of the pandemic is in a very early stage and the current stimulus will further strengthen it. Sharing his views on the current announcements by the Finance Minister, Vinod Parmar, Global Head-Sales & Marketing, Vayana Network said, "The MSME segment will certainly benefit from the extension of easier credit access. The announcements of performance-linked incentives (PLI) for the core manufacturing sectors will lay strong foundations for manufacturing growth in India and help capture the alternative-to-China space."

Rishi Agrawal, Co-founder & CEO, Avantis Regtech – a TeamLease Company said, "Today's announcement is great for employment generation. Special EPF subsidy for 2 years for all new employees with a monthly salary of less than 15,000 will expedite job

To read more click on the link

creation. The subsidy will leave greater disposable income in the hands of both the employee and the employer. However, EPF is a long-term savings instrument and does little to stimulate the economy in the short term. India needs an adrenaline shot now. The government should consider allowing employees and employers to suspend contributions to EPF for the next year. It will release thousands of crores in liquidity to boost short term consumption and without any impact on the fiscal deficit"

"There is a short window of opportunity for India to capitalize on the temporary pressures that China's supply chain has come under due to high wage costs. To capitalize on this, India should break out of the low-productivity cycle by addressing problems with infrastructure, labour, and credit availability. Today's announcements by the Finance Minister demonstrate that the government recognizes these three as problem areas. But incentives and stimulus packages, while necessary, offer ephemeral gains. Therefore, the emphasis should now shift to transforming the economy through deeper, systemic reform," said Hemant Krishna, Joint Partner, Lakshmikumaran & Sridharan Attorneys.

Viswanatha Prasad, Co-founder and MD, Caspian Debt said, "ECLGS scheme and its implementation alacrity have helped MSMEs receive much-needed liquidity during some difficult times. Extending the timelines to avail of this scheme will help the companies who could not avail the scheme as their business was far from recovery will now be able to access it as the economy is making a slow and steady recovery. Focus on 26 sectors for increased credit flow is also a welcome move to bring in more liquidity for the companies."

Talking about the mega-production linked incentive (PLI) scheme for 10 sectors Rajesh Uttamchandani, Director, Syska Group said, "The PLI scheme is aimed at promoting domestic manufacturing and revolutionizing the 'Make in India' campaign by making India a global player in the export supply chain and in increasing core competencies of the country, providing a boost to the economy. For homegrown FMEG companies like Syska Group, this is a great initiative that will enable us to further develop solutions in-house and focus on domestic manufacturing and generating further employment opportunities. We are positive that such schemes are set to bolster India's economic growth by making it truly Atmanirbhar."

Kishan Jain, Director at Goldmedal Electricals talks highly positive about the announcements and said, "The PLIs to the 10 sectors of the economy will provide a much-needed fillip to the Indian manufacturing sector. This initiative will create more opportunities for Indian and global electronic companies to set up operations within the country, increase manufacturing capabilities, boost production, and generate employment."

Arjun Ranga, Managing Director, Cycle Pure Agarbathi said, "The current stimulus and announcements will surely accelerate the economic recovery. The new Aatmanibar Bharat Rozgar Yojana will incentivise companies to create job opportunities for the less fortunate and marginalised sections of our society."

Talking about the unemployment R P Yadav, Chairman & Managing Director, Genius Consultants Ltd said, "There has been a lot of uncertainty for the most of this year regarding unemployment and people getting sacked from their jobs and so, this policy comes in like a breath of fresh air. 'Employment' as a sector has seen one of the biggest impacts of COVID -19 and with this Aatmanirbhar Bharat Rozgar Yojana wherein the Centre will provide subsidy for two years in respect of newly eligible

employees will be beneficial for companies and employees alike. This is also a big step taken in the direction of resurrecting our economy and steer it towards positive growth." Though the industry and industry leaders have welcomed the move of the Finance Ministry with the announcements under Atmanirbhar Bharat 3.0, the next two quarters will define to what extent these announcements are going to push the economic revival.

Though the announcements talked about every sector, it missed out on understanding the situation of people from rural and semi-urban areas wherein they are unemployed and there is no industry to support them with employment opportunities. Education institutions being shut for over 7 months now, the private school teachers in smaller cities, towns, and villages are rendered unemployed so far in this financial year with no salary.