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## Job creation likely to be key thrust area of this Budget

By Mahendra Singh, TNN | Jan 12, 2017, 11.41 AM IST

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NEW DELHI: Creating more "quality" jobs is likely to be a key theme of the Modi government's third Budget as it looks to spur employment generation and avoid the 'jobless growth' tag that could spell trouble.

*The government is confident of a robust growth rate on the back of a good monsoon and likelihood of increased tax collections and is looking at giving a fillip to manufacturing.*

Despite a contraction caused by [demonetisation](#), the government is confident of a robust growth rate on the back of a good [monsoon](#) and likelihood of increased tax collections and is looking at giving a fillip to manufacturing. A conducive environment to promote manufacturing in labour-intensive sectors and promoting tourism is in focus.

"Rapid growth in manufacturing in general and ensuring healthy growth in labour-intensive sectors such as clothing, leather manufacturing, food processing and electronic assembly would help create quality jobs," said a source.

The previous UPA government faced political heat over NSSO reports that jobs had not grown despite growth and the current regime is grappling with similar issues that are compounded by lack of a skill base in some areas. The job push could benefit workers with limited skills allowing those in agriculture and informal sector manufacturing and services to migrate to the formal sector, said the source conversant with official planning.

The Budget may make announcements relating to setting up of coastal 'employment' zones (CEZ), as the government is likely to link incentives for manufacturing units to be set up in economic conclaves with number of jobs being generated. The proposal was to give a five-year tax [holiday](#) on corporate tax for firms generating 10,000 jobs and 10-year tax holiday for companies employing more than 20,000 workers.

As the tax uncertainty has served as another important brake on the growth of manufacturers, the Budget could clearly spell out tax laws so that future investors can assess their liabilities with reasonable surety. An official said, "Simplification of tax code will certainly help but given the current complexity, it is important to spell out clearly the regulations thereby minimising discretion on the part of tax officials."

The focus will be on pushing growth in the agriculture sector as the government

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has announced to double farmers' income by 2022 and incentives to ensure shift towards high-value agriculture products.

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