

15 -ാം കേരള നിയമസഭ

16 -ാം സമ്മേളനം

നക്ഷത്രചിഹ്നമിട്ട ചോദ്യം നം. 194

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വികസന പ്രവർത്തനങ്ങൾക്കായി കേന്ദ്രബജറ്റിൽ ഉൾക്കൊള്ളിച്ചിട്ടുള്ള പദ്ധതികൾ

ചോദ്യം	ഉത്തരം
<p align="center">ശ്രീ. കെ.ഡി.പ്രസേനൻ, ശ്രീ. ടി. പി.രാമകൃഷ്ണൻ, ശ്രീമതി യു. പ്രതിഭ, ശ്രീ. എം.വിജിൻ</p>	<p align="center">ശ്രീ കെ എൻ ബാലഗോപാൽ (ധനകാര്യ വകുപ്പ് മന്ത്രി)</p>
<p>(എ) കേന്ദ്രബജറ്റിന് മുന്നോടിയായി സംസ്ഥാനത്തിന്റെ ആവശ്യങ്ങൾ കേന്ദ്ര സർക്കാരിന് മുമ്പിൽ അവതരിപ്പിച്ചിരുന്നോ; എങ്കിൽ ഏതെല്ലാം ആവശ്യങ്ങൾ കേന്ദ്ര സർക്കാർ അംഗീകരിച്ചിട്ടുണ്ട്; വിശദമാക്കുമോ;</p>	<p>(എ) 2026-27 സാമ്പത്തിക വർഷത്തേയ്ക്കുള്ള കേന്ദ്ര ബജറ്റ് സംസ്ഥാനത്തിന്റെ ആവശ്യങ്ങളും താല്പര്യങ്ങളും നിരസിക്കുന്ന തരത്തിലുള്ളതും പൊതുവേ നിരാശാജനകവുമായിരുന്നു. 2025-26, 2026-27 എന്നീ സാമ്പത്തിക വർഷങ്ങളിൽ കേന്ദ്ര ബജറ്റിൽ ഉൾപ്പെടുത്തുന്നതിനായി സംസ്ഥാനം സമർപ്പിച്ച നിവേദനത്തിന്റെ പകർപ്പുകൾ അനുബന്ധമായി ചേർക്കുന്നു. 2026-27 വർഷത്തേയ്ക്കുള്ള കേന്ദ്ര ബജറ്റിൽ കേരളം മുന്നോട്ട് വച്ച പ്രധാന ആവശ്യങ്ങൾ ചുവടെ പറയുന്നവയാണ്.</p> <ul style="list-style-type: none"> • നേവൽ അക്കാദമി, കൊച്ചിൻ ഷിപ്യാർഡ്, ബ്രഹ്മോസ് എയ്റോസ്പേസ് മുതലായ നിലവിലുള്ള ദേശീയ ആസ്തികളെ പ്രയോജനപ്പെടുത്തി ഒരു പ്രതിരോധ ഗവേഷണ-വികസന ഇടനാഴി (Defence Corridor) സ്ഥാപിക്കുക. • വിദേശ രാജ്യങ്ങളിൽ നിന്ന് തിരിച്ചെത്തുന്ന പ്രവാസികളെ പ്രത്യേകിച്ച് ജി.സി.സി രാജ്യങ്ങളിൽ നിന്ന് തിരിച്ചെത്തുന്നവരെ ഇന്ത്യയുടെ സമ്പദ്‌വ്യവസ്ഥയിലേക്ക് പുനരധിവാസിപ്പിക്കുന്നതിനായി ദേശീയ നൈപുണ്യ മൊബിലിറ്റി ഫ്രെയിംവർക്ക് (National Skilled Mobility Framework) ആരംഭിക്കുക. • ചെറുകിട-ഇടത്തരം വ്യവസായങ്ങളുടെ (MSME) നവീകരണത്തിനും പരിസ്ഥിതി സൗഹൃദമായ മാറ്റങ്ങൾക്കുമായി ബ്ലൈൻഡ് ഫിനാൻസിംഗും ക്രെഡിറ്റ് ഗ്യാരണ്ടിയും ലഭ്യമാക്കുക. • ധാർമ്മികതയിലധിഷ്ഠിതവും ഉപയോക്തൃ സൗഹൃദതയും ഉറപ്പാക്കുന്ന പൊതു

പ്രയോജനപരമായ പ്രവർത്തനങ്ങൾ പരീക്ഷണാടിസ്ഥാനത്തിൽ നടപ്പാക്കുന്നതിനായി സർക്കാർ ഉടമസ്ഥതയിലുള്ള AI & DPI സാൻഡ്ബോക്സിംഗ് സൗകര്യം സ്ഥാപിക്കുക.

- വിഴിഞ്ഞം തുറമുഖത്തെ ഭാരതമാല പദ്ധതിയുമായും ഡെഡിക്കേറ്റഡ് ഫ്രൈറ്റ് കോറിഡോറുകളുമായും സംയോജിപ്പിക്കുക.
- ആയുഷ്, വിനോദസഞ്ചാരം, സഹകരണ മേഖലകൾ എന്നിവയിൽ സ്ത്രീകൾ നയിക്കുന്ന സംരംഭങ്ങളെ പ്രോത്സാഹിപ്പിക്കുക.
- കടൽഭിത്തികൾ, കണ്ടൽക്കാടുകളുടെ പുനഃസ്ഥാപനം, വെള്ളപ്പൊക്ക നിയന്ത്രണം എന്നിവയ്ക്കായി ഒരു തീരദേശ അതിജീവന നിധി (Coastal Resilience Fund) രൂപീകരിക്കുക.
- വിഴിഞ്ഞം തുറമുഖം-പുനലൂർ, ചവറ-കൊച്ചി എന്നിവയെ ബന്ധിപ്പിച്ചുകൊണ്ട്, ഡെഡിക്കേറ്റഡ് സ്റ്റാറ്റജിക് റെയർ എർത്ത് കോറിഡോർ പദ്ധതിയ്ക്കായി 1,000 കോടി രൂപ സാമ്പത്തിക സഹായം നൽകുക.
- സംസ്ഥാനങ്ങളുടെ മൂലധന നിക്ഷേപങ്ങൾക്കായി കേന്ദ്ര സർക്കാർ നൽകുന്ന 50 വർഷത്തെ പലിശരഹിത വായ്പയുടെ 25 ശതമാനം കേരളത്തിലെ കാലപ്പഴക്കംചെന്ന അടിസ്ഥാന സൗകര്യങ്ങളുടെ പുനരുദ്ധാരണത്തിന് വേണ്ടിയുള്ള ഒരു 'അസറ്റ് റിന്യൂവൽ ഫണ്ട്' ആയി മാറ്റിവെക്കുക.
- ചരക്ക് സേവന നികുതി നിരക്കുകളുടെ ഏകീകരണം (GST Rate Rationalisation) മൂലം സംസ്ഥാനങ്ങൾക്കുണ്ടാകുന്ന വരുമാന നഷ്ടം തടയുന്നതിനായി ഒരു 'ജിഎസ്റ്റി 2.0 റവന്യൂ പ്രൊട്ടക്ഷൻ ചട്ടക്കൂട്' നടപ്പിലാക്കുകയും വരുമാനത്തെ ദോഷകരമായി ബാധിക്കുന്ന സംസ്ഥാനങ്ങൾക്ക് നഷ്ടപരിഹാര സെസ്സ് (Compensation Cess) വഴി നഷ്ടപരിഹാരം ഉറപ്പാക്കുകയും ചെയ്യുക.
- ദേശീയ ഗ്രാമീണ തൊഴിലുറപ്പ് പദ്ധതിയായ MGNREGA യെ VB-GRAM-G ആയി പുനഃസംഘടിപ്പിക്കുന്നതിലൂടെയും ചെലവ് പങ്കിടൽ രീതികളിൽ വരുത്തിയ മാറ്റങ്ങളിലൂടെയും സംസ്ഥാനങ്ങൾക്ക് ഉണ്ടാകുന്ന സാമ്പത്തിക പ്രത്യാഘാതങ്ങൾ

പരിഹരിക്കുകയും സംസ്ഥാനങ്ങൾക്ക് സ്വയം ഭരണാധികാരം അനുവദിച്ചു കൊണ്ട് മൊത്തത്തിലുള്ള ഫെഡറൽ കൈമാറ്റങ്ങളിൽ കേന്ദ്രാവിഷ്കൃത പദ്ധതികളുടെ (CSS) പങ്ക് സുസ്ഥിരമാക്കുക.

- കേന്ദ്രാവിഷ്കൃത പദ്ധതികൾക്കുള്ള (CSS) കേന്ദ്ര വിഹിതം 60 ശതമാനത്തിൽ നിന്നും 75 ശതമാനമായി പുനഃസ്ഥാപിക്കുക. കേരളം പോലുള്ള വികസിത സംസ്ഥാനങ്ങളുടെ രണ്ടാം തലമുറ വികസന ആവശ്യങ്ങൾ നിറവേറ്റുന്നതിനായി പദ്ധതികളിൽ കൂടുതൽ ഇളവുകളും, കുറഞ്ഞ നിബന്ധനകളും, സംസ്ഥാനങ്ങൾക്ക് അനുയോജ്യമായ പ്രത്യേക ഘടകങ്ങളും ഉൾപ്പെടുത്തുക.
- 2025 ഏപ്രിൽ മാസത്തിൽ വെട്ടിക്കുറച്ച 965.16 കോടി രൂപയുടെ ഐ.ജി.എസ്.ടി വിഹിതം പുനഃസ്ഥാപിക്കുക.
- ഗ്യാരണ്ടി റിഡംപ്ഷൻ ഫണ്ട് (GRF) രൂപീകരിക്കുന്നതിനായി അഞ്ച് വർഷത്തെ സമയം അനുവദിക്കുകയും കടമെടുപ്പ് പരിധിയിൽ നിന്ന് നടപ്പ് സാമ്പത്തിക വർഷം വെട്ടിക്കുറച്ച 3,323 കോടി രൂപ പുനഃസ്ഥാപിക്കുകയും ചെയ്യുക.
- ബജറ്റിതര കടമെടുപ്പിന്റെ പേരിൽ സംസ്ഥാനത്തിന്റെ അനുവദനീയമായ കടമെടുപ്പിൽ നിന്നും നടപ്പ് സാമ്പത്തിക വർഷത്തെ അവസാന പാദത്തിൽ വെട്ടിക്കുറച്ച 5,944 കോടി രൂപ പുനഃസ്ഥാപിക്കുകയും ഭാവിയിലെ ക്രമീകരണങ്ങൾ 4-5 വർഷങ്ങളിലായി വ്യാപിപ്പിക്കുകയും ചെയ്യുക.
- കേന്ദ്ര സ്റ്റാറ്റിസ്റ്റിക്സ് ആൻഡ് പ്രോഗ്രാം ഇംപ്ലിമെന്റേഷൻ മന്ത്രാലയം സംസ്ഥാനത്തിന്റെ മൊത്ത ആഭ്യന്തര ഉത്പാദനത്തിന്റെ (GSDP) അന്തിമ കണക്കുകൾ ലഭ്യമാക്കുന്നതിന് മുൻപായി ക്രമീകരിച്ച 1,877.58 കോടി രൂപ പുനഃസ്ഥാപിക്കുക.
- താരിഫ് നടപടികൾ ദോഷകരമായി ബാധിച്ച കടൽ വിഭവങ്ങളുടെ കയറ്റുമതി, കയർ, സുഗന്ധ വ്യഞ്ജനങ്ങൾ, വസ്തുനിർമ്മാണം തുടങ്ങിയ മേഖലകൾക്ക് ബജറ്റ് സഹായം നൽകുക.

- പരിസ്ഥിതി ദുർബലത നേരിടുന്ന സംസ്ഥാനങ്ങൾക്കും തദ്ദേശ സ്ഥാപനങ്ങൾക്കുമായി ഒരു 'ക്ലൈമറ്റ് അഡാപ്റ്റേഷൻ ആൻഡ് റെസിലിയൻസ് ഫണ്ട്' രൂപീകരിക്കുക.
- സംസ്ഥാനതലത്തിലുള്ള കടത്തിന്റെ നിയന്ത്രണവും ധനപരമായ അച്ചടക്കവും ശക്തിപ്പെടുത്തുന്നതിനായി, പരസ്പര ഏകോപനത്തോടെ പ്രവർത്തിക്കുന്ന 'സ്റ്റേറ്റ് ലെവൽ ഡെബ്റ്റ് മാനേജ്മെന്റ് ഓഫീസുകൾ' രൂപീകരിക്കുക.
- വിഴിഞ്ഞം തുറമുഖ വികസനത്തിനായി മതിയായ സാമ്പത്തിക സഹായം ലഭ്യമാക്കുക
- കേന്ദ്രവിഷ്ണുത പദ്ധതികളിലൂൾപ്പെടാത്ത ഐ.ടി.ഐ കളുടെ നിലവാരം മെച്ചപ്പെടുത്തുന്നതിനായി 2026-27 സാമ്പത്തിക വർഷത്തിൽ 2,100 കോടി രൂപയുടെ പ്രത്യേക വിഹിതം അനുവദിക്കുക.
- തീരസംരക്ഷണത്തിനായി അഞ്ച് വർഷത്തേക്ക് 11,647.2 കോടി രൂപ അനുവദിക്കുകയും 2026-27 സാമ്പത്തിക വർഷത്തിൽ 2,329 കോടി രൂപ ലഭ്യമാക്കുകയും ചെയ്യുക .
- കടലാക്രമണ ഭീഷണിയുള്ള പ്രദേശങ്ങളിലെ മത്സ്യത്തൊഴിലാളികളെ പുനരധിവാസിപ്പിക്കുന്നതിനുള്ള 'പുനർഗേഹം' പദ്ധതി സമയബന്ധിതമായി പൂർത്തീകരിക്കുന്നതിനായി 1,876 കോടി രൂപ അനുവദിക്കുക.
- സപ്ലൈകോയുടെ കുടിശ്ശിക തീർക്കുന്നതിനായി എഫ്.സി.ഐ യിൽ (FCI) നിന്ന് 2,000 കോടി രൂപ ലഭ്യമാക്കുകയും ആധുനിക നെല്ല് സംഭരണ കേന്ദ്രങ്ങളും മില്ലിംഗ് അടിസ്ഥാന സൗകര്യങ്ങളും സ്ഥാപിക്കുകയും ചെയ്യുക.
- കേന്ദ്ര-സംസ്ഥാന സർക്കാരുകളും റബ്ബർ ഉപഭോക്താക്കളും തുല്യമായി വിഹിതം നൽകുന്ന രീതിയിൽ 1,000 കോടി രൂപയുടെ 'റബ്ബർ വിലസ്ഥിരതാ ഫണ്ട്' രൂപീകരിക്കുകയും നിലവിൽ കിലോയ്ക്ക് 200 രൂപയായി നിശ്ചയിച്ചിട്ടുള്ള റബ്ബറിന്റെ താങ്ങുവില ശക്തിപ്പെടുത്തുന്നതിനും സുസ്ഥിരമാക്കുന്നതിനും കേന്ദ്ര സഹായം ലഭ്യമാക്കുക.
- AIIMS ഉൾപ്പെടെയുള്ള സംസ്ഥാനത്തിൻറെ ദീർഘകാല ആവശ്യങ്ങൾ അനുഭാവപൂർവ്വം പരിഗണിക്കുക.

			<p>കേന്ദ്ര ബജറ്റിൽ കേരളത്തിനു നേരിട്ട് വലിയ പദ്ധതികളൊന്നും പ്രഖ്യാപിച്ചിട്ടില്ല. ധാതു മണൽ ഖനനവും അനുബന്ധ വ്യവസായങ്ങളും മെച്ചപ്പെടുത്തുന്നതിനായി കേരളം ഉൾപ്പെടെയുള്ള തീരദേശ സംസ്ഥാനങ്ങളിൽ റെയർ എർത്ത് കോറിഡോർ, കടലാമ സംരക്ഷണ കേന്ദ്രം, ആയുർവ്വേദ ടൂറിസം പ്രോത്സാഹിപ്പിക്കൽ മുതലായ ഏതാനും പ്രഖ്യാപനങ്ങളോ നിർദ്ദേശങ്ങളോ മാത്രമാണ് കേന്ദ്രബജറ്റിലൂടെ കടന്നു വന്നിട്ടുള്ളത്. സംസ്ഥാനത്തിന്റെ വൻകിട അടിസ്ഥാനസൗകര്യവികസന ലക്ഷ്യങ്ങളായ വിമാനത്താവളങ്ങൾ, തുറമുഖങ്ങൾ, റെയിൽ-വാട്ടർ മെട്രോകൾ എന്നിവയ്ക്കായി കേന്ദ്രം പ്രത്യേക ധനസഹായം ലഭ്യമാക്കിയിട്ടില്ല. സംസ്ഥാനത്തിന്റെ തനതു വിഭവസമാഹരണത്തെയും വിദേശ സഹായ പദ്ധതികളെയുമാണ് ഈ പദ്ധതികളുടെ നടത്തിപ്പിനായി സംസ്ഥാനം പ്രധാനമായി ആശ്രയിക്കുന്നത്.</p>
(ബി)	<p>വയനാട് പുനരധിവാസമുൾപ്പെടെയുള്ള ദുരിതാശ്വാസ പ്രവർത്തനങ്ങൾക്കായി സംസ്ഥാനം ആവശ്യപ്പെട്ടിരുന്ന സാമ്പത്തിക പാക്കേജ് അംഗീകരിച്ചിട്ടുണ്ടോ; വ്യക്തമാക്കുമോ;</p>	(ബി)	<p>2025-26 സാമ്പത്തിക വർഷം വയനാട് പുനരധിവാസത്തിനായി സംസ്ഥാനം ആവശ്യപ്പെട്ട 2000 കോടി രൂപയുടെ പുനരധിവാസ ധനസഹായമോ പ്രത്യേക സാമ്പത്തിക പാക്കേജോ 2025-26, 2026-27 എന്നീ സാമ്പത്തിക വർഷങ്ങളിലെ കേന്ദ്ര ബജറ്റിലൂടെ പരിഗണിക്കപ്പെട്ടിരുന്നില്ല. എന്നാൽ സംസ്ഥാനങ്ങളുടെ മൂലധന നിക്ഷേപങ്ങൾക്കായി കേന്ദ്രം അനുവദിക്കുന്ന 50 വർഷക്കാലയളവിലെ പലിശ രഹിത വായ്പയിലൂടെ 529.50 കോടി രൂപ മാത്രമാണ് വയനാടിനായി ലഭ്യമായിട്ടുള്ളത്.</p>
(സി)	<p>സംസ്ഥാനത്തെ പശ്ചാത്തല സൗകര്യ വികസന പ്രവർത്തനങ്ങൾക്കായി കേന്ദ്രബജറ്റിൽ ഉൾക്കൊള്ളിച്ചിട്ടുള്ള പദ്ധതികൾ എന്തൊക്കെയാണ്; ഈയിനത്തിൽ സംസ്ഥാനം നടപ്പാക്കിയിട്ടുള്ള വൻകിട പദ്ധതികൾക്ക് ധനസഹായം പ്രഖ്യാപിച്ചിട്ടുണ്ടോ; വിശദമാക്കുമോ;</p>	(സി)	<p>2026-27 സാമ്പത്തിക വർഷത്തേയ്ക്കുള്ള കേന്ദ്ര ബജറ്റ് സംസ്ഥാനത്തിന്റെ ആവശ്യങ്ങളും താല്പര്യങ്ങളും നിരസിക്കുന്ന തരത്തിലുള്ളതും പൊതുവേ നിരാശാജനകവുമായിരുന്നു. 2025-26, 2026-27 എന്നീ സാമ്പത്തിക വർഷങ്ങളിൽ കേന്ദ്ര ബജറ്റിൽ ഉൾപ്പെടുത്തുന്നതിനായി സംസ്ഥാനം സമർപ്പിച്ച നിവേദനത്തിന്റെ പകർപ്പുകൾ അനുബന്ധമായി ചേർക്കുന്നു. 2026-27 വർഷത്തേയ്ക്കുള്ള കേന്ദ്ര ബജറ്റിൽ കേരളം മുന്നോട്ട് വച്ച പ്രധാന ആവശ്യങ്ങൾ ചുവടെ പറയുന്നവയാണ്.</p> <ul style="list-style-type: none"> • നേവൽ അക്കാദമി, കൊച്ചിൻ ഷിപ്പ്യാർഡ്, ബ്രഹ്മോസ് എയ്റോസ്പേസ് മുതലായ നിലവിലുള്ള ദേശീയ ആസ്തികളെ പ്രയോജനപ്പെടുത്തി ഒരു പ്രതിരോധ

ഗവേഷണ-വികസന ഇടനാഴി (Defence Corridor) സ്ഥാപിക്കുക.

- വിദേശ രാജ്യങ്ങളിൽ നിന്ന് തിരിച്ചെത്തുന്ന പ്രവാസികളെ പ്രത്യേകിച്ച് ജി.സി.സി രാജ്യങ്ങളിൽ നിന്ന് തിരിച്ചെത്തുന്നവരെ ഇന്ത്യയുടെ സമ്പദ്‌വ്യവസ്ഥയിലേക്ക് പുനരധിവാസിപ്പിക്കുന്നതിനായി ദേശീയ നൈപുണ്യ മൊബിലിറ്റി ഫ്രെയിംവർക്ക് (National Skilled Mobility Framework) ആരംഭിക്കുക.
- ചെറുകിട-ഇടത്തരം വ്യവസായങ്ങളുടെ (MSME) നവീകരണത്തിനും പരിസ്ഥിതി സൗഹൃദമായ മാറ്റങ്ങൾക്കുമായി ബ്ലൈൻഡ് ഫിനാൻസിംഗും ക്രെഡിറ്റ് ഗ്യാരണ്ടിയും ലഭ്യമാക്കുക.
- ധാർമ്മികതയിലധിഷ്ഠിതവും ഉപയോക്തൃ സൗഹൃദതയും ഉറപ്പാക്കുന്ന പൊതു പ്രയോജനപരമായ പ്രവർത്തനങ്ങൾ പരീക്ഷണാടിസ്ഥാനത്തിൽ നടപ്പാക്കുന്നതിനായി സർക്കാർ ഉടമസ്ഥതയിലുള്ള AI & DPI സാൻഡ്ബോക്സിംഗ് സൗകര്യം സ്ഥാപിക്കുക.
- വിഴിഞ്ഞം തുറമുഖത്തെ ഭാരതമാല പദ്ധതിയുമായും ഡെഡിക്കേറ്റഡ് ഹൈറ്റ് കോറിയോറുകളുമായും സംയോജിപ്പിക്കുക.
- ആയുഷ്, വിനോദസഞ്ചാരം, സഹകരണ മേഖലകൾ എന്നിവയിൽ സ്ത്രീകൾ നയിക്കുന്ന സംരംഭങ്ങളെ പ്രോത്സാഹിപ്പിക്കുക.
- കടൽഭിത്തികൾ, കണ്ടൽക്കാടുകളുടെ പുനഃസ്ഥാപനം, വെള്ളപ്പൊക്ക നിയന്ത്രണം എന്നിവയ്ക്കായി ഒരു തീരദേശ അതിജീവന നിധി (Coastal Resilience Fund) രൂപീകരിക്കുക.
- വിഴിഞ്ഞം തുറമുഖം-പുനലൂർ, ചവറ-കൊച്ചി എന്നിവയെ ബന്ധിപ്പിച്ചുകൊണ്ട്, ഡെഡിക്കേറ്റഡ് സ്ട്രാറ്റജിക് റെയർ എർത്ത് കോറിയോർ പദ്ധതിയ്ക്കായി 1,000 കോടി രൂപ സാമ്പത്തിക സഹായം നൽകുക.
- സംസ്ഥാനങ്ങളുടെ മൂലധന നിക്ഷേപങ്ങൾക്കായി കേന്ദ്ര സർക്കാർ നൽകുന്ന 50 വർഷത്തെ പലിശരഹിത വായ്പയുടെ 25 ശതമാനം കേരളത്തിലെ കാലപ്പഴക്കംചെന്ന അടിസ്ഥാന സൗകര്യങ്ങളുടെ പുനരുദ്ധാരണത്തിന്

വേണ്ടിയുള്ള ഒരു 'അസറ്റ് റിന്യൂവൽ ഫണ്ട്' ആയി മാറ്റിവെക്കുക.

- ചരക്ക് സേവന നികുതി നിരക്കുകളുടെ ഏകീകരണം (GST Rate Rationalisation) മൂലം സംസ്ഥാനങ്ങൾക്കുണ്ടാകുന്ന വരുമാന നഷ്ടം തടയുന്നതിനായി ഒരു 'ജിഎസ്റ്റി 2.0 റവന്യൂ പ്രൊട്ടക്ഷൻ ചട്ടക്കൂട്' നടപ്പിലാക്കുകയും വരുമാനത്തെ ദോഷകരമായി ബാധിക്കുന്ന സംസ്ഥാനങ്ങൾക്ക് നഷ്ടപരിഹാര സെസ്സ് (Compensation Cess) വഴി നഷ്ടപരിഹാരം ഉറപ്പാക്കുകയും ചെയ്യുക.
- ദേശീയ ഗ്രാമീണ തൊഴിലുറപ്പ് പദ്ധതിയായ MGNREGA യെ VB-GRAM-G ആയി പുനഃസംഘടിപ്പിക്കുന്നതിലൂടെയും ചെലവ് പങ്കിടൽ രീതികളിൽ വരുത്തിയ മാറ്റങ്ങളിലൂടെയും സംസ്ഥാനങ്ങൾക്ക് ഉണ്ടാകുന്ന സാമ്പത്തിക പ്രത്യാഘാതങ്ങൾ പരിഹരിക്കുകയും സംസ്ഥാനങ്ങൾക്ക് സ്വയം ഭരണാധികാരം അനുവദിച്ചു കൊണ്ട് മൊത്തത്തിലുള്ള ഫെഡറൽ കൈമാറ്റങ്ങളിൽ കേന്ദ്രാവിഷ്കൃത പദ്ധതികളുടെ (CSS) പങ്ക് സുസ്ഥിരമാക്കുക.
- കേന്ദ്രാവിഷ്കൃത പദ്ധതികൾക്കുള്ള (CSS) കേന്ദ്ര വിഹിതം 60 ശതമാനത്തിൽ നിന്നും 75 ശതമാനമായി പുനഃസ്ഥാപിക്കുക. കേരളം പോലുള്ള വികസിത സംസ്ഥാനങ്ങളുടെ രണ്ടാം തലമുറ വികസന ആവശ്യങ്ങൾ നിറവേറ്റുന്നതിനായി പദ്ധതികളിൽ കൂടുതൽ ഇളവുകളും, കുറഞ്ഞ നിബന്ധനകളും, സംസ്ഥാനങ്ങൾക്ക് അനുയോജ്യമായ പ്രത്യേക ഘടകങ്ങളും ഉൾപ്പെടുത്തുക.
- 2025 ഏപ്രിൽ മാസത്തിൽ വെട്ടിക്കുറച്ച 965.16 കോടി രൂപയുടെ ഐ.ജി.എസ്.ടി വിഹിതം പുനഃസ്ഥാപിക്കുക.
- ഗ്യാരണ്ടി റിഡംപ്ഷൻ ഫണ്ട് (GRF) രൂപീകരിക്കുന്നതിനായി അഞ്ച് വർഷത്തെ സമയം അനുവദിക്കുകയും കടമെടുപ്പ് പരിധിയിൽ നിന്ന് നടപ്പ് സാമ്പത്തിക വർഷം വെട്ടിക്കുറച്ച 3,323 കോടി രൂപ പുനഃസ്ഥാപിക്കുകയും ചെയ്യുക.
- ബജറ്റിതര കടമെടുപ്പിന്റെ പേരിൽ സംസ്ഥാനത്തിന്റെ അനുവദനീയമായ കടമെടുപ്പിൽ നിന്നും നടപ്പ് സാമ്പത്തിക വർഷത്തെ അവസാന പാദത്തിൽ വെട്ടിക്കുറച്ച 5,944 കോടി രൂപ

പുനസ്ഥാപിക്കുകയും ഭാവിയിലെ ക്രമീകരണങ്ങൾ 4-5 വർഷങ്ങളിലായി വ്യാപിപ്പിക്കുകയും ചെയ്യുക.

- കേന്ദ്ര സ്റ്റാറ്റിസ്റ്റിക്സ് ആൻഡ് പ്രോഗ്രാം ഇംപ്ലിമെന്റേഷൻ മന്ത്രാലയം സംസ്ഥാനത്തിന്റെ മൊത്ത ആഭ്യന്തര ഉത്പാദനത്തിന്റെ (GSDP) അന്തിമ കണക്കുകൾ ലഭ്യമാക്കുന്നതിന് മുൻപായി ക്രമീകരിച്ച 1,877.58 കോടി രൂപ പുനഃസ്ഥാപിക്കുക.
- താരിഫ് നടപടികൾ ദോഷകരമായി ബാധിച്ച കടൽ വിഭവങ്ങളുടെ കയറ്റുമതി, കയർ, സുഗന്ധ വ്യഞ്ജനങ്ങൾ, വസ്തുനിർമ്മാണം തുടങ്ങിയ മേഖലകൾക്ക് ബജറ്റ് സഹായം നൽകുക.
- പരിസ്ഥിതി ദുർബലത നേരിടുന്ന സംസ്ഥാനങ്ങൾക്കും തദ്ദേശ സ്ഥാപനങ്ങൾക്കുമായി ഒരു 'ക്ലൈമറ്റ് അഡാപ്റ്റേഷൻ ആൻഡ് റെസിലിയൻസ് ഫണ്ട്' രൂപീകരിക്കുക.
- സംസ്ഥാനതലത്തിലുള്ള കടത്തിന്റെ നിയന്ത്രണവും ധനപരമായ അച്ചടക്കവും ശക്തിപ്പെടുത്തുന്നതിനായി, പരസ്പര ഏകോപനത്തോടെ പ്രവർത്തിക്കുന്ന 'സ്റ്റേറ്റ് ലെവൽ ഡെബ്റ്റ് മാനേജ്മെന്റ് ഓഫീസുകൾ' രൂപീകരിക്കുക.
- വിഴിഞ്ഞം തുറമുഖ വികസനത്തിനായി മതിയായ സാമ്പത്തിക സഹായം ലഭ്യമാക്കുക
- കേന്ദ്രവിഷ്ണുത പദ്ധതികളിലുൾപ്പെടാത്ത ഐ.ടി.ഐ കളുടെ നിലവാരം മെച്ചപ്പെടുത്തുന്നതിനായി 2026-27 സാമ്പത്തിക വർഷത്തിൽ 2,100 കോടി രൂപയുടെ പ്രത്യേക വിഹിതം അനുവദിക്കുക.
- തീരസംരക്ഷണത്തിനായി അഞ്ച് വർഷത്തേക്ക് 11,647.2 കോടി രൂപ അനുവദിക്കുകയും 2026-27 സാമ്പത്തിക വർഷത്തിൽ 2,329 കോടി രൂപ ലഭ്യമാക്കുകയും ചെയ്യുക .
- കടലാക്രമണ ഭീഷണിയുള്ള പ്രദേശങ്ങളിലെ മത്സ്യത്തൊഴിലാളികളെ പുനരധിവാസിപ്പിക്കുന്നതിനുള്ള 'പുനർഗോഹം' പദ്ധതി സമയബന്ധിതമായി പൂർത്തീകരിക്കുന്നതിനായി 1,876 കോടി രൂപ അനുവദിക്കുക.

- സപ്ലൈകോയുടെ കുടിശ്ശിക തീർക്കുന്നതിനായി എഫ്.സി.ഐ യിൽ (FCI) നിന്ന് 2,000 കോടി രൂപ ലഭ്യമാക്കുകയും ആധുനിക നെല്ല് സംഭരണ കേന്ദ്രങ്ങളും മില്ലിംഗ് അടിസ്ഥാന സൗകര്യങ്ങളും സ്ഥാപിക്കുകയും ചെയ്യുക.
- കേന്ദ്ര-സംസ്ഥാന സർക്കാരുകളും റബ്ബർ ഉപഭോക്താക്കളും തുല്യമായി വിഹിതം നൽകുന്ന രീതിയിൽ 1,000 കോടി രൂപയുടെ 'റബ്ബർ വിലസ്ഥിരതാ ഫണ്ട്' രൂപീകരിക്കുകയും നിലവിൽ കിലോയ്ക്ക് 200 രൂപയായി നിശ്ചയിച്ചിട്ടുള്ള റബ്ബറിന്റെ താങ്ങുവില ശക്തിപ്പെടുത്തുന്നതിനും സുസ്ഥിരമാക്കുന്നതിനും കേന്ദ്ര സഹായം ലഭ്യമാക്കുക.
- AIIMS ഉൾപ്പെടെയുള്ള സംസ്ഥാനത്തിൻറെ ദീർഘകാല ആവശ്യങ്ങൾ അനുഭാവപൂർവ്വം പരിഗണിക്കുക.

കേന്ദ്ര ബജറ്റിൽ കേരളത്തിനു നേരിട്ട് വലിയ പദ്ധതികളൊന്നും പ്രഖ്യാപിച്ചിട്ടില്ല. ധാതു മണൽ ഖനനവും അനുബന്ധ വ്യവസായങ്ങളും മെച്ചപ്പെടുത്തുന്നതിനായി കേരളം ഉൾപ്പെടെയുള്ള തീരദേശ സംസ്ഥാനങ്ങളിൽ റെയർ എർത്ത് കോറിയോർ, കടലാമ സംരക്ഷണ കേന്ദ്രം, ആയുർവ്വേദ ടൂറിസം പ്രോത്സാഹിപ്പിക്കൽ മുതലായ ഏതാനും പ്രഖ്യാപനങ്ങളോ നിർദ്ദേശങ്ങളോ മാത്രമാണ് കേന്ദ്രബജറ്റിലൂടെ കടന്നു വന്നിട്ടുള്ളത്. സംസ്ഥാനത്തിന്റെ വൻകിട അടിസ്ഥാനസൗകര്യവികസന ലക്ഷ്യങ്ങളായ വിമാനത്താവളങ്ങൾ, തുറമുഖങ്ങൾ, റെയിൽ-വാട്ടർ മെട്രോകൾ എന്നിവയ്ക്കായി കേന്ദ്രം പ്രത്യേക ധനസഹായം ലഭ്യമാക്കിയിട്ടില്ല. സംസ്ഥാനത്തിന്റെ തനതു വിഭവസമാഹരണത്തെയും വിദേശ സഹായ പദ്ധതികളെയുമാണ് ഈ പദ്ധതികളുടെ നടത്തിപ്പിനായി സംസ്ഥാനം പ്രധാനമായി ആശ്രയിക്കുന്നത്.

(ഡി) സംസ്ഥാനത്തെ സാമ്പത്തികമായി ഞെരുക്കുന്നതിനുപുറമെ ബജറ്റിലും അർഹതപ്പെട്ടത് അനുവദിക്കുന്നില്ലെന്ന് ശ്രദ്ധയിൽപ്പെട്ടിട്ടുണ്ടോ; വ്യക്തമാക്കുമോ?

(ഡി) സംസ്ഥാനത്തിന്റെ നിയന്ത്രണങ്ങൾക്ക് വിധേയമല്ലാത്ത പല കാരണങ്ങളാലും സംസ്ഥാനം സാമ്പത്തികമായി ഞെരുക്കം അനുഭവിച്ചു പോരുന്നുണ്ട്. നോട്ട് നിരോധനം, ചരക്ക് സേവന നികുതി നടപ്പിലാക്കിയതിലെ അപാകതകൾ, പ്രകൃതി ദുരന്തങ്ങൾ, കോവിഡ് മഹാമാരി, കേന്ദ്ര ധനകാര്യ കമ്മീഷനുകൾ കേന്ദ്ര നികുതി വിഹിതം നിശ്ചയിക്കുന്നതിലെ മാനദണ്ഡങ്ങളിൽ വരുത്തിയ മാറ്റംമൂലം സംസ്ഥാനത്തിന്റെ നികുതി വിഹിതത്തിൽ പ്രതിഫലിച്ച കുറവ്, കേന്ദ്രാവിഷ്കൃത പദ്ധതികളിലെ

ചെലവ് പങ്കിടൽ ഘടന സംസ്ഥാനങ്ങൾക്ക് അധിക ബാധ്യത വരുന്ന രീതിയിൽ ഭേദഗതി ചെയ്തത്, പൊതുകണക്കിനത്തിലെ നീക്കിയിരുന്ന സംസ്ഥാന സർക്കാരിന് കീഴിൽ പ്രവർത്തിക്കുന്ന കിഫ്ബി, കെ.എസ്.എസ്.പി.എൽ മുതലായ പ്രത്യേക ഉദ്ദേശ സ്ഥാപനങ്ങൾ അവരുടെ സ്വന്തം നിലയ്ക്കടുത്ത വായ്പകളും സംസ്ഥാന സർക്കാരിന്റെ ബാധ്യതയായി കണക്കിലെടുത്ത് സംസ്ഥാന സർക്കാരിന്റെ കടമെടുപ്പിൽ നിന്നും വെട്ടിക്കുറവ് വരുത്തുന്ന സമീപനം കേന്ദ്ര സർക്കാർ സ്വീകരിച്ചത്, വിവിധ രാജ്യങ്ങൾ കൈക്കൊണ്ടിട്ടുള്ള കയറ്റുമതി ഇറക്കുമതി നയങ്ങൾ, അമേരിക്ക ഏർപ്പെടുത്തിയ ഉയർന്ന താരിഫ്, റഷ്യ-ഉക്രെയ്ൻ യുദ്ധം, മധ്യപൂർവ്വേഷ്യയിലെ സംഘർഷങ്ങൾ, ആഗോള ദേശീയ തലത്തിൽ പ്രതിഫലിച്ച സാമ്പത്തിക മുരടിപ്പ് എന്നിവ സംസ്ഥാന സമ്പദ് വ്യവസ്ഥയേയും വിഭവങ്ങൾ സമാഹരിക്കാനുള്ള സംസ്ഥാനത്തിന്റെ കഴിവിനേയും പ്രതികൂലമായി ബാധിച്ചിട്ടുണ്ട്. ഇതിന്റെ ഫലമായി ഗുരുതരമായ പണഞെരുക്കമാണ് സംസ്ഥാനത്ത് സൃഷ്ടിക്കപ്പെട്ടിട്ടുള്ളത്. 2025 സെപ്റ്റംബർ മാസത്തിൽ ചരക്ക് സേവന നികുതി നിരക്ക് പരിഷ്കരണം നടപ്പിലാക്കിയതും പ്രത്യേക ഉദ്ദേശ സ്ഥാപനങ്ങൾ അവരുടെ സ്വന്തം നിലയ്ക്കടുക്കുന്ന വായ്പകൾ ചൂണ്ടിക്കാട്ടി സംസ്ഥാനത്തിന്റെ 2025-26 സാമ്പത്തിക വർഷത്തെ അവസാനപാദ കടമെടുപ്പ് പരിധിയിൽ നിന്നും ഏകദേശം 6000 കോടി രൂപ കേന്ദ്ര സർക്കാർ വെട്ടിക്കുറച്ചതും സംസ്ഥാനത്തിന്റെ ധനസ്ഥിതി കൂടുതൽ സങ്കീർണ്ണമാക്കിയെന്നത് വസ്തുതയാണ്. ചരക്ക് സേവന നികുതി നിരക്ക് പരിഷ്കരണം മൂലം സംസ്ഥാനത്തിന് പ്രതിവർഷം 8000 മുതൽ 9000 കോടി രൂപവരെ റവന്യൂ നഷ്ടം ഉണ്ടാകുമെന്നാണ് ഗുലാത്തി ഇൻസ്റ്റിറ്റ്യൂട്ട് ഫിനാൻസ് ആൻഡ് ടാക്സേഷൻ നടത്തിയ പഠനം വെളിപ്പെടുത്തുന്നത്.

ഈ പ്രതിസന്ധിയിലും മാനുഷികവും സാമ്പത്തികവുമായ പ്രതികരണത്തിൽ സംസ്ഥാനം ഒരു മാറ്റവും വരുത്തുന്നില്ല. വികസനക്ഷേമ പ്രവർത്തനങ്ങൾക്ക് ഓരോ വർഷവും കൂടുതൽ വിഹിതമാണ് സംസ്ഥാനം വകയിരുത്തുന്നത്. സമ്പദ് വ്യവസ്ഥയ്ക്ക് അകത്തുനിന്നും പുറത്തുനിന്നും ഉണ്ടായ തടസ്സങ്ങളിൽ നിന്നും മോചനം നേടി പുനർനിർമ്മാണ പ്രക്രിയയ്ക്ക് ആക്കം കൂട്ടുക എന്നതാണ് സർക്കാരിന്റെ ലക്ഷ്യം. മാനവിക വികസന സൂചികകളിൽ കേരളം ഏറെ മുന്നിലാണെന്ന് മാത്രമല്ല മൊത്ത ആഭ്യന്തര ഉത്പാദനം, നഗരവത്കരണം, ജനങ്ങളുടെ ജീവിത നിലവാരം എന്നിവയിലും സംസ്ഥാനം രാജ്യത്തിന്

തന്നെ മാതൃകയായി മുന്നേറിക്കൊണ്ടിരിക്കുകയാണ്. സംസ്ഥാനം ഇപ്പോൾ അഭിമുഖീകരിക്കുന്ന പണയത്തരക്കും പരിഹരിക്കുന്നതിന് വ്യക്തമായ മാർഗ്ഗരേഖ തയ്യാറാക്കിയാണ് സർക്കാർ പ്രവർത്തിക്കുന്നത്. ഇതിന്റെ ഭാഗമായി ദൈനംദിന ധന മാനേജ്മെന്റിനു വേണ്ട ക്രമീകരണങ്ങൾ അതത് സമയത്ത് സർക്കാർ സ്വീകരിക്കുന്നുണ്ട്. നികുതി പിരിവ് ഊർജ്ജിതമാക്കിയും, ചെലവുകൾക്ക് മുൻഗണന നിശ്ചയിച്ചും, മിതത്വം പാലിച്ചും, സാമ്പത്തിക അച്ചടക്കം ഉറപ്പുവരുത്തിയും, ലഭ്യമായ സാമ്പത്തിക സ്രോതസ്സുകൾ ഫലപ്രദമായി വിനിയോഗിച്ചുകൊണ്ട് വികസന പ്രവർത്തനങ്ങൾക്ക് ഭംഗം വരുത്താതെ സാമ്പത്തിക സുസ്ഥിരത കൈവരിക്കുവാനാണ് സർക്കാർ ശ്രമിച്ചു പോരുന്നത്. എന്നാൽ സാമ്പത്തിക ഞെരുക്കം നേരിടുന്ന കേരളത്തിനായി ബജറ്റ് വഴിയോ അല്ലാതെയോ പ്രത്യേക പാക്കേജോ ഗ്രാന്റോ അനുവദിച്ചിട്ടില്ലായെന്നത് തീർത്തും നിരാശാജനകമാണ്.

സെക്ഷൻ ഓഫീസർ



GOVERNMENT OF KERALA

Speech of

Shri K.N BALAGOPAL

Hon'ble Minister for Finance

Government of Kerala

at

PRE BUDGET CONSULTATION MEETINGS

2026-27

NEW DELHI

10.01.2026

Hon'ble Union Finance Minister Smt. Nirmala Sitharaman Ji, Hon'ble Minister of States for Finance, Hon'ble Finance Ministers from other States, Union

Finance Secretary, other senior officials of Union Government, State Governments and friends;

First of all, I would like to extend warm greetings of the New Year. I would also like to extend my best wishes to the Hon'ble Union Finance Minister for the upcoming Union Budget 2026-27. Pre-budget consultation of this year deserves great attention on account of the prevailing geo political situation and the imposition of additional tariffs on India by the Trump administrations and the rationalisation of GST slabs by the Union Government.

State governments in India are facing significant challenges in financing growth and development as their fiscal powers continue to erode. The immature implementation of GST, cessation of GST compensation and RD grants, conditions attached to the Centrally Sponsored Schemes, newer restrictions in borrowing, reduction in the inter - se share from the divisible pool etc. are major concerns to the fiscal space of the state governments especially Kerala. State's own revenue has emerged as the primary source of funding for the substantial expenditure commitments entrusted to state governments. The state is on a path of fiscal consolidation. However, it's essential to recognise that fiscal consolidation achieved through restrictions in government expenditure may not necessarily be a desirable outcome. In fact, such an approach may even hinder economic growth, rendering the consolidation efforts counterproductive. We reiterate that fiscal consolidation targets should not compromise sustainable growth. Instead, state governments should be empowered to fulfil their expenditure commitments especially infrastructure development and implement macro-economic policies that can help drive faster national economic growth. The success stories of those countries which had come out of the middle-income trap suggests that India should invest in heavily in Capital expenditure especially for infrastructure.

Kerala is facing acute fiscal stress due to multiple concurrent shocks. Recent GST rate rationalisation has resulted in an annual revenue loss of about ₹8,000 crore, significantly constraining fiscal space for essential services, welfare schemes and committed development expenditure. Further, reciprocal tariff

measures imposed by the United States have adversely affected key export-oriented sectors such as marine products, spices, cashew and textiles, causing an estimated additional loss of ₹2,500 crore per annum. These pressures are compounded by a declining share in the divisible pool, shrinking Central assistance under Centrally Sponsored Schemes (CSS), and unanticipated deductions in borrowing limits, cumulatively weakening Kerala's revenue base, growth outlook and fiscal sustainability.

India's long-term trajectory is directed towards becoming a globally competitive, socially inclusive, and environmentally resilient economy by 2047. Kerala, with its distinctive demographic profile, advanced social indicators, and strategic geographic location, is uniquely positioned to serve as a pilot ground for several nationally relevant initiatives. The following proposals are framed not as state-specific concessions but as contributions to national progress, with Kerala offering itself as a demonstrative site for scalable models. Against this backdrop, the State of Kerala's aspirations for the Union Budget 2026-27 are summarized below:

Key Issues for Consideration

I.a. Manufacturing and Defence-Tech Innovation

Defence innovation corridors are vital for national security and industrial competitiveness. Kerala's naval orientation and institutional presence make it a natural pilot site, with lessons replicable across states. In this regard, we suggest the following points for consideration:

- Establish a **Defence R&D Corridor** leveraging existing national assets such as the Naval Academy, DRDO-NPOL, Cochin Shipyard, and BrahMos Aerospace.
- Repurpose defunct plantation lands for dual-use clusters combining defence and civilian technology.

- Strengthen rubber-based engineering, food processing, and marine product value chains.
- Modernize MSMEs with shared facilities, export facilitation, and green upgrades.

b. Skilled Workforce, Human Capital, and NRI Integration

India's demographic dividend must be harnessed inclusively. Kerala's experience with migration and ageing populations provides a model for eldercare and diaspora reintegration strategies. In order to leverage our demographic dividends, we request the following policy suggestions may be incorporated in the Union Budget:

- Build dual-track skilling systems (IT + domain-specific) with apprenticeships in hospitals, shipyards, renewable energy, and tourism.
- Establish public health systems tailored to aging populations, including geriatric care, assisted living, and re-skilling elderly for part-time roles.
- Launch a **National Skilled Mobility Framework** to reintegrate returning NRIs, especially GCC expats, into India's economy.
- Promote women's workforce participation through flexible work hubs and cooperative enterprises.

c. Investment Ecosystem and MSME Strength

MSMEs are the backbone of India's economy. Kerala's proposals can serve as pilots for national MSME modernization, blending diaspora capital with local entrepreneurship. As MSMEs are viewed as the future economic growth drivers of Kerala, following points are submitted for consideration:

- Simplify clearances via single-window systems with time guarantees.
- Provide blended finance and credit guarantees for MSME modernization and green upgrades.
- Encourage returning NRIs as angel investors and entrepreneurs.
- Establish district-level MSME accelerators with shared testing, packaging, and cold-chain facilities.

d. Technology, R&D, and Digital Public Infrastructure

Technology and innovation are central to India's competitiveness. Kerala's talent pool and health ecosystem make it an ideal site for piloting AI governance and integrative medicine models. With our rich pool of human resources skilled in technical know-how, following policy prescriptions can propel the economy of Kerala to greater heights:

- Establish a government-owned AI & DPI Sandboxing Facility to pilot ethical, user-friendly public solutions.
- Integrate AYUSH with modern medicine through evidence-based R&D.
- Expand health-tech sandboxes, biotech clusters, marine-tech R&D, and AI labs for local-language NLP.

e. Infrastructure and Connectivity

Infrastructure is the foundation of growth. Kerala's proposals align with national priorities in logistics, urban resilience, and digital inclusion. In order to give a push towards greater capital expenditure through infrastructural projects, following policy support mechanisms will help the State of Kerala to improve our infrastructural strengths and connectivity:

- Integrate Vizhinjam Port with Bharatmala and Dedicated Freight Corridors.
- Build logistics parks and coastal shipping services.
- Expand EV bus fleets, metro systems, and resilient bridges.
- Develop eldercare housing.
- Strengthen rural digital infrastructure with fiber and public Wi-Fi.

f. Social Empowerment and Tourism as Export Services

Services exports are vital for India's foreign exchange earnings. Kerala's tourism and health sectors can demonstrate sustainable models for national replication. In this regard, the following points are submitted for consideration:

- Position Kerala as a model for silvercare eldercare economy, creating jobs in home health, assisted living, and telemedicine.
- Redefine tourism as an export service sector with long-term visas for health/wellness tourism.
- Develop eco-cultural circuits and medical tourism hubs.
- Promote women-led enterprises in AYUSH, tourism, and cooperatives.

g. Sustainability and Green Growth

Climate resilience and green growth are essential for long-term sustainability. Kerala's vulnerability to climate risks makes it a natural pilot for national resilience programs. In this context, the following policy prescriptions will help in making our economic growth climate resilient and adapt to the needs of the geo economic framework:

- Establish a Coastal Resilience Fund for seawalls, mangrove restoration, and flood mitigation.

- Promote renewable energy microgrids, rooftop solar, and community storage systems.
- Expand blue economy initiatives: sustainable fisheries, mariculture, seaweed farming, and ocean-tech R&D.
- Implement watershed restoration and circular economy practices.

h. Dedicated Strategic Rare Earth Corridor Project

Kerala has about 32.435 million metric tonnes of mineral sand reserves along its coast, including nearly 1.9 million tonnes of monazite. The monazite is relatively free from clay and other impurities, making it easier to process. Approximately 25% of the rare earth oxides (REO) are Neodymium and Praseodymium, which are essential for producing permanent magnets used in defence, aerospace, and aeronautical applications. To harness this strategic potential, Kerala proposes a Rare Earth Corridor connecting Vizhinjam Seaport–Punalur and Chavara–Kochi for domestic production of permanent magnets. This initiative would directly support defence, aeronautical, and aerospace sectors, substantially reduce India's dependence on imported rare-earth magnets, and strengthen strategic supply security. We request the Union Budget to provide ₹1,000 crore for targeted financial support for corridor infrastructure, technology acquisition, and related development.

II. Capital Expenditure and Borrowing Flexibility

The borrowing restrictions imposed by Government of India are causing a severe financial crisis for the State. In view of the above, an additional borrowing space of 0.5% of GSDP, may be provided exclusively for capital expenditure, to accelerate infrastructure development without crowding out welfare spending. Borrowing may be permitted for State-funded National Highway land acquisition (₹6,000 crore) by treating it as eligible capital expenditure. It is also requested that at least 25% of the Union's 50-year interest-free capex loans to States may be earmarked as an Asset Renewal Fund, to address ageing infrastructure in developed States such as Kerala.

III. GST Reforms and Revenue Protection

The GST system has under-went a radical overhaul recently which has impacted the State's finances adversely causing substantial revenue loss to the States and in this context the following points are submitted for consideration.

- Implement a GST 2.0 revenue protection framework to prevent State-wise revenue shocks during rate rationalisation.
- Provide rule-based compensation through the Compensation Cess to States adversely affected, as reform objectives have not translated into commensurate consumer price benefits.
- Make an open protocol in all e-Commerce transactions for better transparency and avoid tax evasion.

IV. Centrally Sponsored Schemes (CSS) especially VB–G RAM G

The restructuring of MGNREGA into VB–G RAM G with a 60:40 Union–State cost-sharing pattern and expanded scope has significant fiscal implications for States. Kerala, whose wage contribution was negligible (below 2%) under the earlier framework, will now bear 40% of total scheme costs, resulting in an additional burden of about ₹1,500 crore in 2025–26. The State therefore seeks fiscal neutrality in the transition, through state-specific transition grants to offset the incremental burden, and a non-punitive performance framework that rewards high utilisation without reducing fiscal flexibility, especially during downturns and post-disaster periods. Address the fiscal impact of restructuring schemes such as MGNREGA (VB-GRAM-G) and altered cost-sharing patterns. Stabilise the role of CSS in overall federal transfers while allowing States its autonomy in implementation.

It is also requested to restore Central assistance under CSS from 60% to 75%. Introduce greater flexibility, fewer conditionalities, and State-specific components to address “second-generation” development needs of advanced States.

V. IGST and Borrowing-Related Adjustments

Kerala is presently facing acute cash flow constraints. The sharp deduction in borrowing space would disrupt public service delivery and impact State's economy. Hence the following are requested for favourable consideration.

- Restore ₹965.16 crore of IGST deductions effected in April 2025, recognising Kerala's dependence on IGST settlement.
- Allow a five-year period to build the Guarantee Redemption Fund (GRF) and restore ₹3,323 crore deducted from borrowing limits.
- Reconsider deductions for off-budget borrowing of SPVs (₹5,944 crore) and spread future adjustments over 4–5 years.
- Restore ₹1,877.58 crore adjusted prematurely, pending final GSDP figures from MoSPI.

VI. Sectoral, Climate and Institutional Support

Kerala has been bearing the brunt of significant climatic changes which has resulted in significant loss to lives and livelihood across the State. In this regard, we request the Union Government to consider the following:

- Provide budgetary support to sectors adversely affected by tariff measures, including marine exports, coir, spices and textiles.
- Establish a Climate Adaptation and Resilience Fund for States and local bodies, with formula-linked grants reflecting environmental vulnerability.
- Promote State-level Debt Management Offices, in coordination to strengthen sub-national debt management and fiscal discipline.

VII. Vizhinjam International Multipurpose Seaport (VISL)

Vizhinjam has commenced commercial operations and has already achieved 1.6 million TEU, which is more 100% capacity utilisation plant for the first year in just 6 months with expansion to 5 million TEU by December 2028 as per the supplementary concession agreement. Beyond transshipment, the port has strong potential to emerge as a national import–export gateway and growth engine for peninsular India.

To fully leverage this opportunity, the following port-led projects are proposed for FY 2026–27:

- Rail connectivity
- Port-based industrial corridor/maritime cluster
- Green hydrogen hub
- Seafood-park
- Logistics and fish landing centre
- GOI should make commensurate investments in mothership building, defence and Maritime security infrastructure for the Indian Ocean area.

VIII. Comprehensive Upgradation of ITIs in Kerala

While the Union Budget has provided ₹60,000 crore for upgrading 1,000 ITIs under the Hub-and-Spoke model, Kerala has 108 Government ITIs, many of which may fall outside the scheme. A separate allocation of ₹2,100 crore is required in FY 2026–27 for upgrading ITIs not covered under the CSS.

IX. Coastal Erosion Protection and Rehabilitation

Kerala's 586 km coastline faces severe erosion, with 61% already eroding and extremely high coastal population density. Sea level rise of 25–30 cm over the next 50 years poses grave threat to the ecosystem.

- The State requires ₹11,647.2 crore over five years for coastal protection, including ₹2,329 crore in 2026–27.
- Additionally, under the Punarageham scheme for rehabilitating fisherfolk from erosion-prone areas (₹10 lakh per household), ₹1,876 crore is required for its timely completion.

X. Paddy Procurement

The Government of Kerala has identified paddy procurement reforms aligned with Government of India policy and requires around ₹2,000 crores from FCI to clear Supplyco's outstanding liabilities while establishing modern paddy procurement centres and milling infrastructure. The State also seeks enhancement of Central assistance under the relevant CSS to at least 75% (from 60%) along with a one-time relaxation from the three-year average allocation norm (to facilitate settlement of the State ceiling).

XI. Revitalisation of the Plantation Sector

The plantation sector, a major source of export earnings and rural employment, is under stress due to price volatility, high input costs and ageing crops, disproportionately affecting smallholders, women workers and socially backward communities in ecologically fragile regions. In order to propel the plantation sector to better economic growth, we request that the following policy prescriptions may be included in the Union Budget:

- Central allocations to commodity boards have remained stagnant and need to be significantly enhanced.
- The State seeks special financial packages for replanting and rejuvenation, export promotion of tea, coffee and spices, support for value addition and branding, and incentives for organic and sustainable plantation practices.
- The State proposes creation of a ₹1,000 crore Rubber Price Stabilisation Fund, jointly subscribed by the Government of India, Government of Kerala and rubber users (33% each), to compensate farmers quarterly whenever prices fall below a benchmark of ₹250 per kg. To stabilise rubber prices, Kerala seeks Central support to strengthen the State Price Support Scheme, presently capped at ₹200 per kg.

XII. Long-pending Demands from Kerala

Let me conclude with special note that several long-standing demands of Kerala remain unaddressed, including the establishment of AIIMS in Kerala.

I hope that the forthcoming Union Budget will consider these suggestions and long pending demands of Kerala. The Sixteenth Finance Commission Report is expected to be presented in the Parliament along with the Union Budget. The State has high expectation that the requirements of States like Kerala in resource allocation will be duly addressed.

I wish that the Union Budget 2026-27 may put forward an expansionary macroeconomic policy to support the country's progress and empower the states with a view to uphold the true spirit of cooperative federalism.



GOVERNMENT OF KERALA

Speech of

Shri K. N. BALAGOPAL

Hon'ble Minister for Finance

Government of Kerala

at

PRE BUDGET CONSULTATION MEETINGS

2025-26

Jaisalmer, Rajasthan

20-12-2024

20.12.2024

Hon'ble Union Finance Minister Smt. Nirmala Sitharaman Ji, Hon'ble Minister of States for Finance, Hon'ble Finance Ministers from other States, Union Finance Secretary, other senior officials of Union Government, State Governments and friends;

First of all, I would like to extend warm greetings of Xmas and New Year. I would also like to extend my best wishes to the Hon'ble Union Finance Minister for the upcoming Union Budget 2025-26. Consistent with last year, the primary focus of pre-budget consultation of this year also prioritises macroeconomic policy and fiscal consolidation.

As we are all aware, the country's current macroeconomic situation presents several challenges. I am hopeful that the upcoming budget will comprehensively address these concerns and provide a clear roadmap for economic growth and stability.

One of the important challenges is related to the growth of the economy. Though India is one of the fastest growing economies in the world, the growth in real GDP for the second quarter, recorded at 5.4 percent, was significantly lower than projected by Reserve Bank of India (RBI) at 7 percent. This downturn was predominantly driven by a marked deceleration in industrial growth, which declined from 7.4 percent in the first quarter to 2.1 percent in the second quarter. The decline could be attributed to the subdued performance of manufacturing companies, a contraction in mining activities, and reduced electricity demand. Challenges in supply chain logistics and fluctuations in global commodity prices add to the economic strain.

Another issue is related to elevated inflation, which remains a critical hurdle for the country's growth trajectory. The economy also faces issues such as slow credit and deposit growth, tightening liquidity conditions, and a weaker currency. Moreover, achieving a Capex target of around

60 percent of the Budget Estimates (BE) between November and March presents a daunting task.

There is an urgent need for strengthening the economy, for which, the growth of the sub-national economies is also critical. In order to sustain the growth and development achievements, an expansionary role of the government is essential. The size of the government expenditure at both national and state levels are vital for achieving faster economic growth as demonstrated by most developed nations.

State governments in India are facing significant challenges in financing growth and development as their fiscal powers continue to erode. The immature implementation of GST, cessation of GST compensation and RD grants, conditions attached to the Centrally sponsored schemes, newer restrictions in borrowing, reduction in the inter se share from the divisible pool etc. are major concerns to the fiscal space of the state governments

especially Kerala. As a result, the State's own revenue has emerged as the primary source of funding for the substantial expenditure commitments entrusted to state governments. While examining the fiscal indicators, it appears that the state is on a path of fiscal consolidation. However, it's essential to recognise that fiscal consolidation achieved through restrictions in government expenditure may not necessarily be a desirable outcome. In fact, such an approach may even hinder economic growth, rendering the consolidation efforts counterproductive. We reiterate that fiscal consolidation targets should not compromise sustainable growth. Instead, state governments should be empowered to fulfil their expenditure commitments and implement macro-economic policies that can help drive faster national economic growth. Against this backdrop, the State of Kerala's aspirations for the Union Budget 2025-26 are summarized below:

1. A Special Package for Kerala

It is important to note that during 2023-24, share of Kerala's own revenue in the total revenue expenditure has been as high as 63.58%, when compared to the national average of only 53.9% - more than 10% higher than the all-state average. Yet the state is fiscally stressed especially since the central transfers have plummeted to an unprecedented low owing to stoppage of GST compensation and Revenue Deficit Grant, curtailing normal borrowing ceiling of the state to the extent of net accruals in public account and borrowing by the SOEs, and continuous decline of state share in the divisible pool from 3.875% during the 10th Finance Commission to 1.925% during the last (15th) Finance Commission. Taking these facts into account, we had submitted a detailed proposal for a special package during the previous pre-budget consultation meeting held in June 2024. Since it did not receive

the attention it deserved, we reiterate our demand for a *special package of ₹24000 Crore to tide over the current liquidity stress by scheduling it over a period of 2 years from 2025-26.*

2. 2024 Wayanad Landslide: Urgent Request for Funds

The devastating landslides that hit Kerala on July 30, 2024, resulted in one of the deadliest disasters in the state's history, with 254 fatalities, over 400 injured, and 118 people still unaccounted for. The relief efforts lasted four weeks, with the rescue team using DNA sequencing to identify victims and provide closure for survivors. Rehabilitating the affected people is now an urgent priority. The needs are fundamental and pressing: houses, cattle, schools, hospitals, infrastructure, and jobs. Since the affected area is no longer habitable due to these natural disasters and other potential hazards, Kerala plans to relocate survivors to a new township. The rehabilitation plan aims to

incorporate global best practices, adhering to the Sendai Framework and "Build Back Better" principles. This includes rebuilding homes, schools, healthcare facilities, and critical infrastructure with modern safety standards.

Given the substantial resources required, Kerala is seeking urgent central government intervention, requesting a special package of ₹2000 Crore in the upcoming Union Budget 2025-26.

3. Assistance for Vizhinjam International Sea Port

Vizhinjam International Multipurpose Seaport has already set a benchmark for performance with the start of its commercial operation. The stage is set for catapulting of India's share in logistics to a hitherto unimaginable level. The port is expecting to achieve 100% capacity utilization (1 million TEU) by first year of operations. As per the supplementary concession agreement, it is agreed to complete the capacity augmentation from 1 million TEU to

3 million TEU by Dec 2028. Even though it is acting as a transshipment port currently, possibilities abound for the port to act as the import and export gateway for a variety of capital goods, services and associated ancillary activities. Hence, VISL can act as a growth engine for the entire country with peninsular India benefitting the most. The key projects proposed by VISL to be considered as best to be initiated in the FY 2025-26 include Rail Connectivity to Port, Port based Industry Corridor/Maritime Cluster, Green Hydrogen Hub, Seafood Park, and Logistics and Fish landing Centre. *We repeat our demand for as special assistance of ₹5000 crore to VISL so that our country can harness the full advantage of the Port.*

In this regard, the state of Kerala is reiterating the request to reconsider the existing stipulated conditions of Viability Gap Funding of ₹817.80 Cr. By demanding that this amount be repaid in

Net Present Value, not only is the central government setting a new precedent for VGF, but also penalising the state government who has contributed to financing the port construction in an equal manner. Also, by requesting that the amount be paid at NPV, it is understood that the repayment would amount to more than ₹10,000 Cr. at least. This is highly detrimental to the state finances as this repayment has the potential to erode the resource base of the state and deny the people of Kerala from enjoying the fruits of the development that the port is sure to bring in. Hon. Chief Minister has also written to Hon. Prime Minister in this regard. *Hence, State of Kerala requests that this VGF be allotted as special grant.*

4. Need for a revamped borrowing modality

Government of India has adopted a new methodology from 2022-23 onwards for arriving at the eligible amount of open market borrowing.

Accordingly, three-year average of net accrual in public account is considered. This new method is adversely affecting the borrowing space of the state as we have higher accumulations under public account during 2020-21 and 2021-22. A drastic reduction has occurred in the current year open market borrowing space because of this. But, we have a clear trend of declining accruals under public account from 2023-24 onwards. *Hence it is urged to dispense with this system and to take the previous years particulars of audited accounts of AG for estimating public account accruals for succeeding years.*

In the wake of financial constraints being faced by the State and short fall in releases from Government of India even in the backdrop of the Wayanad disaster, borrowing restrictions are causing a severe financial crisis for the State. *In view of the above, normal borrowing ceiling of the State*

may be enhanced to 3.5 per cent from 3 percent of GSDP unconditionally for the financial year 2025-26.

It is also requested that additional borrowing of 0.5% of GSDP linked to Power sector reforms may be extended to the final year of 15th Finance Commission i.e. 2025-26.

5. Flexibility in borrowing limits for CAPEX Schemes

Financial implications of multiple Centrally Sponsored schemes being undertaken in states in a cost-sharing pattern needs to be highlighted. Most of the states need to find these funds from within their borrowings which in effect crowds out many other proposed developmental initiatives. To cite an example, Jal Jeevan Mission works currently being undertaken in Kerala need about ₹17,500 crore as state share over next two years. As there is financial stress and limit to state borrowings, this flagship

program of India and Kerala cannot be completed in time and more than ₹12000 crore of present investment might become unproductive. In order to complete such works, *it is urged that such financing requirements in CSS schemes may be allowed over and above State borrowing limits.*

6. Perspective shift regarding 'off-budget borrowings'

Unlike many other states, Kerala's physical infrastructure has not kept pace with the social infrastructure and the needs of the aspirational society that the investments in human capital over the years have created. Through Kerala Infrastructure Investment Fund Board (KIIFB), Kerala is bridging this infrastructure gap. But, unfortunately, the borrowings of KIIFB have been brought within the ambit of the borrowings of the state. In fact, KIIFB's borrowing mechanism is

similar to that of the agencies at the Union government level.

Another case in point is the deleterious effect of bringing borrowings of KSSPL (Kerala Social Security Pension Company Ltd) within the state's borrowing ambit. KSSPL sought to ensure that the human capital of Kerala regardless of their stature could enjoy a decent standard of living by ensuring assured social security assistance to the populace. Hampering of KSSPL's activities have the potential to derail the Kerala Model of Inclusivity to a large extent.

Hence, Government of Kerala reiterates the request that the borrowings of KIIFB and liquidity management measures of KSSPL be exempted from state's borrowing limits. *It is all the more important since the retrospective manner in which these borrowings were brought into the state's ambit is acting as a double whammy for the state finances*

(₹3140.7 Cr. for 4 years starting from 2022-23). Hence, it is requested that a policy decision eyeing the future of the state and espousing the spirit of co-operative federalism be taken.

7. Branding and CAPEX.

Govt has launched the 'Scheme for Special Assistance to States for Capital Investment' in order to facilitate higher capital investment by the State. This is a 50-year interest free loan for capital investment projects. One of the mandatory conditions to avail the benefits of the scheme is branding/naming of Centrally Sponsored Schemes'. But this particular CAPEX Scheme is a loan and not related to Centrally Sponsored Schemes. Even then, non-compliance of the branding guidelines by certain CSS hinders the fund release under Part I of the Scheme. *In view of the above, the state has been repeatedly urging that the compliance of branding /naming guidelines of all CSS may be delinked from*

the mandatory condition to avail the benefits under any part of the CAPEX Scheme.

8. Exclusion of Land Acquisition Cost from the Borrowing Limit

Kerala has spent 25% of the cost for land acquisition as part of National Highway widening. Given that Kerala has already invested substantially in this project, it is reasonable to treat this expenditure as an additional capital expenditure for National Highways. Considering this expenditure as part of the annual borrowing limits may discourage Kerala from supporting large capital projects, contradicting the Union Government's policy to encourage state capital expenditure. *Allowing Kerala to borrow ₹6000 crore in this financial year without conditions would support the state's infrastructure development and align with the Union Government's policies.*

9. Vehicle Scrapping Policy

As a result of the recently implemented vehicle scrapping policy, the registration of around 4000 vehicles owned by Government of Kerala, LSGIs, PSUs and other autonomous institutions have already expired owing to the 15-year criteria. The government is now forced to sell these vehicles at scrap value, even though many of them are in good condition for continued use. The number of government vehicles that are being stopped from use due to the 15-year age limit is increasing daily, affecting the day-to-day functions of the offices concerned. Various departments have already requested to replace these vehicles, but due to existing financial constraints, the government is unable to purchase new ones. An expenditure to the tune of ₹450 Crore is expected to replace the unusable government vehicles and ₹375 crore to replace the KSRTC buses.

Under these circumstances, it is requested that a relook into the policy, which evaluates the road worthiness based on objective criteria of performance, emissions etc. be undertaken in the longer run. Currently, in order to ensure that the functioning of government departments are not hindered, it is urged that a financial package of ₹800 Cr. be allotted to the GOK for the replacement of vehicles owned by government and public sector organizations.

10. IGST and GST Compensation

The state transitioned into the GST regime with high expectations rooted in the promise of destination principle-based revenue accrual. However, these promises have not been fulfilled to a large extent due to various legal, systemic and administrative issues. It is necessary that the legal problems plaguing GST settlement, especially with regard to services, are tackled immediately. Further,

the issue of tax evasion, especially inter-state tax evasion requires concerted efforts from the side of the Union Government. Furthermore, the IT related weaknesses resulting in incorrect settlement of revenues also need redressal to ensure economic security of the Centre and the states. Under these circumstances, *we urge the Union Government to continue the GST compensation scheme to states until systemic issues are fully corrected and the original promise of GST revenue is attained.*

11. Support for the Non-Resident Keralites

The significance of Non-Resident Indians (NRIs) in the process of nation-building cannot be neglected. Foreign remittances by Non-Resident Keralites significantly contribute to the foreign exchange earnings of the Country. For Kerala, these migrants have redefined the developmental and social paradigm of the state. State of Kerala has established Kerala Non-Resident Keralites Welfare

Board (KNRKWB) in 2008 to take care of the NRKs in the later stages of their life. During the past few years, KNRKWB has expanded its wings from various forms of social security benefits to educational assistance and urgent medical assistance- all through subscription and support from GoK. But this mode is not sustainable currently especially with falling subscriptions and increase in returnees. During the current financial year, the Board has incurred expenditure of ₹136.26 Crore against the total income of ₹64.36 Crore, so far.

As per the provisions of 3(2) of the Act, KNRKWB is empowered to accept Grants, Loans, and Advances from the Central Government, State Government, and Local Self-Government as part of the Plan Fund. *State of Kerala requests the intervention and support of Union Government in the form of a ₹300 Crore annual Budget Provision to the Kerala Non- Resident Keralites Welfare Board (KNRWB) to tide over the issues.*

12. Making Kerala the paradise of Migrants

There has been a steady inflow of return migrants to Kerala most notably from GCC especially in the COVID and the post-COVID era. It was actually the remittances from these expatriates that have played a crucial role in strengthening the local economic activity and ensuring economic stability, which in turn resulted in the domestic migrant inflow. These return migrants are also mostly low and semi-skilled workers whose rehabilitation is a pressing concern as they find themselves replaced in many sectors by domestic in-migrants. Hence, there is an urgent need for a dual pronged strategy that addresses the specific scenarios of both parties. But, Kerala's finances is not sufficient to cater to the large-scale needs of the return migrants currently. *Hence, the State of Kerala is requesting an urgent assistance from Union government by providing a special package of ₹2000 Crore in the current budget.* The verticals of this include providing scholarship for

the children pursuing High School level to Professional level, providing treatment assistance, conducting skill development courses with the help of prominent institutions in the field, setting a Foreign Language Institute for the prospective migrants by which youth from all states in India can take part in the training, Housing Scheme strictly for the returned migrants, Entrepreneurship Assistance to the returned migrants etc.

13. Comprehensive Upgradation of ITIs in Kerala

The Government of India has allocated 60,000 Crores in the current budget for upgrading 1000 ITIs under the Hub and Spoke Model, which is expected to benefit a few ITIs in Kerala. However, Kerala has 108 Government ITIs, and a significant number may remain outside the scope of this initiative. To bridge this gap, a new scheme is imperative for the financial year 2025-26. GoK requests that 2100 Crores be allotted for the upgradation of the ITIs

which may not be included in Hub & Spoke model CSS in the current financial year.

14. Climate Change

The State of Kerala continues to bear the impact of a number of natural disasters associated with extreme weather events. To take examples from 2017, Kerala witnessed extreme drought in multiple districts and the Okhi cyclone in 2017, severe flood and landslides in 2018 and 2019, Pettimudi landslide in 2020, Kootickal landslide 2021, Kanichar landslide in 2022 and Attamala-Mundakkai-Chooralmala landslide, Vilangad landslide in 2024. The impacts of climate change are evident in Kerala, with rising temperatures and changing rainfall patterns. The state needs to focus on building resilience through anticipatory measures, such as: designing and building climate-resilient infrastructure, promoting scientific agriculture and land use and implementing early warning systems.

An analysis of the State Disaster Response Funds (SDRF) reveals an additional ₹4273 crore spent between 2018 and 2024, indicating significant economic burden due to climate-related disasters. To address these challenges, the state has formed the Kerala State Climate Change Adaptation Mission (KSCCAM) to undertake focused resilience-building measures. *The mission has identified nine priority projects, with an initial financing requirement of ₹22,500 crore for climate resilience between 2025 and 2030. We request ₹4500 crore in the Union Budget 2025-26 to address this issue.*

15. Coastal Erosion and Rehabilitation

Kerala's 586 km coastline is highly vulnerable to erosion, with 360 km already affected and 61% classified as "eroding". The state's coastal population density is extremely high, with over 2000 persons per sq.km, making it a vulnerable area. Sea level rise poses a significant threat to Kerala's coastal areas, with an estimated 25-30 cm rise in the

next 50 years. The state requires ₹11,647.2 crore over the next five years to repair and protect its coastline across the 70 stretches identified till now. *Out of this, ₹2329 crore is proposed for the 2025-26 Union budget.*

Also, Kerala has initiated the Punargeham scheme to rehabilitate fisherfolk households living in erosion-prone areas, with each household eligible for ₹10 lakhs. *The successful completion of the Punargeham scheme requires ₹1876 crore, with some flats already constructed and more planned in the coming years.*

16. Human-Animal Interface

Kerala's unique geography leads to frequent human-animal conflicts, resulting in loss of life, property damage, crop loss, and depletion of wildlife. The state's forests, part of the Western Ghats biodiversity hotspot, face pressure from high population density. Despite efforts to increase forest

cover, human-wildlife conflicts persist, with 10,095 incidents reported in 2020-21 and 319 human deaths between 2009-10 and 2020-21. The number of human deaths caused by wild animal attacks was 52 in 2021-22 and 184 in 2023-24. The extent of crop damage due to Human-Animal interface is rising at an annual rate of 49 per cent. About 45 species of edible and commercial plants are regularly destroyed by wild animals. *The state requires ₹1000 crore to implement policies addressing this issue.*

17. Assistance for Elderly Care

Kerala's elderly population is growing rapidly, with those aged 60 and above expected to double from 4.2 million in 2011 to 8.4 million in 2036. This demographic shift poses significant challenges, as the elderly require more healthcare, hospitalization, and social support. By 2036, about 22.8% of Kerala's population will be senior citizens, exceeding the projected national average of 15%. The state must assess the costs of meeting the needs

of its growing elderly population, including healthcare expenses, expansion of schemes, and costs associated with functional disability. *The projected cost for expanding schemes is ₹3940 crore, which the state expects from the forthcoming Union Budget.*

18. Revitalization of the Plantation Sector

The plantation sector, a key contributor to export earnings and rural employment, faces significant challenges such as fluctuating international prices, high input costs, and aging crops. This sector is dominated by small holders and are mostly located in the environmentally fragile areas with over 50% of the labour force being women and more than 72% belonging to backward communities. Over the years, there has not been any significant increase in the allocation for the commodity boards. This trend needs to be reversed. *Some measures that are requested in this regard are Special financial packages to assist in crop replanting and*

rejuvenation, export promotion initiatives for plantation crops like tea, coffee, and spices to improve their competitiveness in global markets, support for value addition and branding of plantation products, promoting organic and sustainable farming practices in plantations to cater to emerging global demand etc.

The rubber crop requires enhanced assistance and needs Central funding to ensure the stability of rubber prices. It is necessary to augment the State support price scheme for rubber which is currently pegged at a threshold price of ₹180. Government of Kerala requests creation of at least ₹1000 crore rubber price stabilization fund to which the users of natural rubber industry may be encouraged to participate. Government of India, Government of Kerala and users may subscribe at 33% basis. The fund may assess the price level below designated prices at ₹250/Kg. and compensate the farmers on a quarterly basis.

19. Paddy Procurement

The Department of Agriculture, Government of Kerala, has commissioned an Expert Committee to review the paddy procurement norms in vogue in the State and has identified many reform measures in line with Government of India policy. *The State would require assistance to the extent of ₹2,000 Crore so as to settle the outstanding liabilities of Supplyco (the present state procurement agency) and simultaneously establish the Paddy Procurement Centres and milling infrastructure. Apart from this, Kerala would recommend enhancing the quantum of Central assistance to the State by enhancing the Central allocation to the ongoing CSS to at least 75% support instead of the present 60% and provide a one-time relaxation from the last three years average allocation rules for settling State ceiling.*

20. Regional Cancer Centre, Trivandrum

Regional Cancer Centre (RCC), Thiruvananthapuram is an autonomous scientific institution sponsored jointly by the Government of India and Government of Kerala. RCC caters to 2,50,000 patients every year with an annual new case registration of more than 16000 patients. RCC is facing space constraints and more infrastructural facilities are required for provision of better medical care and advanced cancer research. RCC has 11.68 Acres (4.72 hectares) of land which can be developed as a second campus. Globally available, best, innovative and modern facilities can be provided in the development of the infrastructure for the hospital. The state-of-the-art facilities can be provided for easy and smooth delivery of health care services and facilities for the people. *We request that RCC's 2nd campus proposal be allotted ₹1293 Cr. in a phased manner.*

21. Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA)

The state has signed MOU with Ministry of Education, Government of India for implementing the third phase of RUSA, named PM-USHA. The proposals of the state were submitted in March, 2023 and the PAB (Project Approval Board) for the same was held on 19/11/2024. *The State is still awaiting the decision of the PAB for total budget of ₹2117 crore for the Multidisciplinary Education and research University, Grants to Strengthen Universities and Colleges, Gender Inclusion and Equity Initiatives.*

22. Modernisation of harbours

FAO Code of Conduct for Responsible Fisheries clearly states the nation's roles and responsibilities for the development, construction, and maintenance of harbours and landing centres, as well as the establishment of an institutional framework for the

selection or upgrading of harbour sites. The current global market requires that the fish sold should be traceable not only to its country of origin but also to the waters in which it was harvested and the entire post-harvest infrastructure that handled the export product. With the implementation of the Hazard Analysis and Critical Control Point (HACCP) system, all the activities in the harbour have come under the purview of the standards prescribed. The waste disposal system, patterns of personal cleanliness of the staff and facilities for the staff are all monitored. To reach these standards, investment is required in every harbour. *An amount of ₹500 crores may be earmarked for the modernization of selected harbours to reach international standards.*

23. Urgent interventions in Kerala's Railway and Mass-transit Sector.

Kerala is one of the most densely populated states in the country with the majority of the state

having turned into one big urban agglomeration. Hence, the needs and aspirations of the society are also changing. Our transportation and logistics sector have not been able to keep pace with these changing needs. It is at this juncture that projects such as the proposed semi-high speed rail system-Silverline assumes even greater importance. Kerala reiterates that these new rail lines are necessary to decongest the traffic in Kerala. Equity cash contribution from Ministry of Railways as per DPR is only ₹2150 Crore. *Hence, Kerala requests that an all-inclusive stakeholder consultation be held and the changes/modifications to the proposed system be made without altering/reducing the envisaged idea and utility of the system.*

In line with this, Kerala would also like to highlight and reiterate the long pending requests of Kerala in the sector of railway development in the state. The Angamaly-Sabari Line which has the

potential to accelerate the development of hinterland regions of 6 districts of Kerala has been in the pipeline for decades. Kerala had also agreed to share the cost of project, but contributing to the escalated project cost is something the state cannot financially bear now. In addition to this, other major aspirations of the state like the proposed 3rd and 4th railway main lines, proposed Nilambur-Nanjangud Line, Thalassery-Mysore Line etc also are lagging far behind.

State of Kerala requests that the state's requests be considered favourably and the projects be accelerated especially in the view of the fact that Kerala is the only South Indian State with no new rail line expansion in the past 8 years.

24. Subsidies

Kerala is urging the Union Government to increase subsidies in the upcoming Budget to combat rising inflation and protect social welfare.

The state is concerned that the continuous decrease in subsidies for fertilizers, food, petroleum, and other essential items in recent Union Budgets will exacerbate the situation.

25. Traditional sectors and Scheme Workers

Small-scale industries like cashew, coir, and handloom, which employ a significant number of women workers, are facing challenges. Particularly the cashew sector was severely affected due to the depreciation of the Indian currency. State specific packages are to be announced to protect these traditional sectors.

We also reiterate our demand raised in the previous pre-budget consultation that the rate of honoraria for Anganwadi workers, ASHA workers and other scheme workers also need to be enhanced appropriately. Rate of pension under National Social Assistance programme, cooking cost in mid-day meal programme, and Government of India's

contribution in housing schemes for the poor also have to be enhanced as they were fixed a long time ago.

26. Special Assistance for Universal MGNREGA

State of Kerala reiterates our demand that the number of working days and the per-day wage prescribed in the MGNREGA scheme should be increased in view of the increasing inflation. Kerala's Ayyankali Urban Employment Guarantee Scheme, which extends MGNREGA to urban areas, is a pioneering initiative. This scheme deserves incentivisation with special support through the forthcoming Budget.

27. Long-pending Demands from Kerala

Let me conclude with a special note that many of our demands raised in the previous submissions still remain unaddressed. Important among them include establishing AIIMS in Kerala and starting an International Research Institute in Ayurveda at Kannur. Similarly, we have been arguing for a

change in the GST revenue sharing mechanism from the present 50:50 ratio to 60:40 ratio in favour of the State Governments due to the fact the expenditure obligations are more with the State Government compared to the Union and revenue raising powers are vested more in the hands of the Union. Moreover, we had always been urging the Union Government to initiate steps to improve collection of tax revenue and restrict imposing surcharges and cess in such a manner that the divisible pool of the state does not shrink substantially.

I hope that the forthcoming Union Budget will consider these suggestions and long pending demands of Kerala. I wish that the Union Budget 2025-26 may put forward an expansionary macroeconomic policy to support the country's progress and empower the states with a view to uphold the true spirit of cooperative federalism.

With Best Regards

Yours Sincerely

(K N Balagopal)



GOVERNMENT OF KERALA

Speech of

Shri K.N BALAGOPAL

Hon'ble Minister for Finance

Government of Kerala

at

PRE BUDGET CONSULTATION MEETINGS

2026-27

NEW DELHI

10.01.2026

Hon'ble Union Finance Minister Smt. Nirmala Sitharaman Ji, Hon'ble Minister of States for Finance, Hon'ble Finance Ministers from other States, Union

Finance Secretary, other senior officials of Union Government, State Governments and friends;

First of all, I would like to extend warm greetings of the New Year. I would also like to extend my best wishes to the Hon'ble Union Finance Minister for the upcoming Union Budget 2026-27. Pre-budget consultation of this year deserves great attention on account of the prevailing geo political situation and the imposition of additional tariffs on India by the Trump administrations and the rationalisation of GST slabs by the Union Government.

State governments in India are facing significant challenges in financing growth and development as their fiscal powers continue to erode. The immature implementation of GST, cessation of GST compensation and RD grants, conditions attached to the Centrally Sponsored Schemes, newer restrictions in borrowing, reduction in the inter - se share from the divisible pool etc. are major concerns to the fiscal space of the state governments especially Kerala. State's own revenue has emerged as the primary source of funding for the substantial expenditure commitments entrusted to state governments. The state is on a path of fiscal consolidation. However, it's essential to recognise that fiscal consolidation achieved through restrictions in government expenditure may not necessarily be a desirable outcome. In fact, such an approach may even hinder economic growth, rendering the consolidation efforts counterproductive. We reiterate that fiscal consolidation targets should not compromise sustainable growth. Instead, state governments should be empowered to fulfil their expenditure commitments especially infrastructure development and implement macro-economic policies that can help drive faster national economic growth. The success stories of those countries which had come out of the middle-income trap suggests that India should invest in heavily in Capital expenditure especially for infrastructure.

Kerala is facing acute fiscal stress due to multiple concurrent shocks. Recent GST rate rationalisation has resulted in an annual revenue loss of about ₹8,000 crore, significantly constraining fiscal space for essential services, welfare schemes and committed development expenditure. Further, reciprocal tariff

measures imposed by the United States have adversely affected key export-oriented sectors such as marine products, spices, cashew and textiles, causing an estimated additional loss of ₹2,500 crore per annum. These pressures are compounded by a declining share in the divisible pool, shrinking Central assistance under Centrally Sponsored Schemes (CSS), and unanticipated deductions in borrowing limits, cumulatively weakening Kerala's revenue base, growth outlook and fiscal sustainability.

India's long-term trajectory is directed towards becoming a globally competitive, socially inclusive, and environmentally resilient economy by 2047. Kerala, with its distinctive demographic profile, advanced social indicators, and strategic geographic location, is uniquely positioned to serve as a pilot ground for several nationally relevant initiatives. The following proposals are framed not as state-specific concessions but as contributions to national progress, with Kerala offering itself as a demonstrative site for scalable models. Against this backdrop, the State of Kerala's aspirations for the Union Budget 2026-27 are summarized below:

Key Issues for Consideration

I.a. Manufacturing and Defence-Tech Innovation

Defence innovation corridors are vital for national security and industrial competitiveness. Kerala's naval orientation and institutional presence make it a natural pilot site, with lessons replicable across states. In this regard, we suggest the following points for consideration:

- Establish a **Defence R&D Corridor** leveraging existing national assets such as the Naval Academy, DRDO-NPOL, Cochin Shipyard, and BrahMos Aerospace.
- Repurpose defunct plantation lands for dual-use clusters combining defence and civilian technology.

- Strengthen rubber-based engineering, food processing, and marine product value chains.
- Modernize MSMEs with shared facilities, export facilitation, and green upgrades.

b. Skilled Workforce, Human Capital, and NRI Integration

India's demographic dividend must be harnessed inclusively. Kerala's experience with migration and ageing populations provides a model for eldercare and diaspora reintegration strategies. In order to leverage our demographic dividends, we request the following policy suggestions may be incorporated in the Union Budget:

- Build dual-track skilling systems (IT + domain-specific) with apprenticeships in hospitals, shipyards, renewable energy, and tourism.
- Establish public health systems tailored to aging populations, including geriatric care, assisted living, and re-skilling elderly for part-time roles.
- Launch a **National Skilled Mobility Framework** to reintegrate returning NRIs, especially GCC expats, into India's economy.
- Promote women's workforce participation through flexible work hubs and cooperative enterprises.

c. Investment Ecosystem and MSME Strength

MSMEs are the backbone of India's economy. Kerala's proposals can serve as pilots for national MSME modernization, blending diaspora capital with local entrepreneurship. As MSMEs are viewed as the future economic growth drivers of Kerala, following points are submitted for consideration:

- Simplify clearances via single-window systems with time guarantees.
- Provide blended finance and credit guarantees for MSME modernization and green upgrades.
- Encourage returning NRIs as angel investors and entrepreneurs.
- Establish district-level MSME accelerators with shared testing, packaging, and cold-chain facilities.

d. Technology, R&D, and Digital Public Infrastructure

Technology and innovation are central to India's competitiveness. Kerala's talent pool and health ecosystem make it an ideal site for piloting AI governance and integrative medicine models. With our rich pool of human resources skilled in technical know-how, following policy prescriptions can propel the economy of Kerala to greater heights:

- Establish a government-owned AI & DPI Sandboxing Facility to pilot ethical, user-friendly public solutions.
- Integrate AYUSH with modern medicine through evidence-based R&D.
- Expand health-tech sandboxes, biotech clusters, marine-tech R&D, and AI labs for local-language NLP.

e. Infrastructure and Connectivity

Infrastructure is the foundation of growth. Kerala's proposals align with national priorities in logistics, urban resilience, and digital inclusion. In order to give a push towards greater capital expenditure through infrastructural projects, following policy support mechanisms will help the State of Kerala to improve our infrastructural strengths and connectivity:

- Integrate Vizhinjam Port with Bharatmala and Dedicated Freight Corridors.
- Build logistics parks and coastal shipping services.
- Expand EV bus fleets, metro systems, and resilient bridges.
- Develop eldercare housing.
- Strengthen rural digital infrastructure with fiber and public Wi-Fi.

f. Social Empowerment and Tourism as Export Services

Services exports are vital for India's foreign exchange earnings. Kerala's tourism and health sectors can demonstrate sustainable models for national replication. In this regard, the following points are submitted for consideration:

- Position Kerala as a model for silvercare eldercare economy, creating jobs in home health, assisted living, and telemedicine.
- Redefine tourism as an export service sector with long-term visas for health/wellness tourism.
- Develop eco-cultural circuits and medical tourism hubs.
- Promote women-led enterprises in AYUSH, tourism, and cooperatives.

g. Sustainability and Green Growth

Climate resilience and green growth are essential for long-term sustainability. Kerala's vulnerability to climate risks makes it a natural pilot for national resilience programs. In this context, the following policy prescriptions will help in making our economic growth climate resilient and adapt to the needs of the geo economic framework:

- Establish a Coastal Resilience Fund for seawalls, mangrove restoration, and flood mitigation.

- Promote renewable energy microgrids, rooftop solar, and community storage systems.
- Expand blue economy initiatives: sustainable fisheries, mariculture, seaweed farming, and ocean-tech R&D.
- Implement watershed restoration and circular economy practices.

h. Dedicated Strategic Rare Earth Corridor Project

Kerala has about 32.435 million metric tonnes of mineral sand reserves along its coast, including nearly 1.9 million tonnes of monazite. The monazite is relatively free from clay and other impurities, making it easier to process. Approximately 25% of the rare earth oxides (REO) are Neodymium and Praseodymium, which are essential for producing permanent magnets used in defence, aerospace, and aeronautical applications. To harness this strategic potential, Kerala proposes a Rare Earth Corridor connecting Vizhinjam Seaport–Punalur and Chavara–Kochi for domestic production of permanent magnets. This initiative would directly support defence, aeronautical, and aerospace sectors, substantially reduce India's dependence on imported rare-earth magnets, and strengthen strategic supply security. We request the Union Budget to provide ₹1,000 crore for targeted financial support for corridor infrastructure, technology acquisition, and related development.

II. Capital Expenditure and Borrowing Flexibility

The borrowing restrictions imposed by Government of India are causing a severe financial crisis for the State. In view of the above, an additional borrowing space of 0.5% of GSDP, may be provided exclusively for capital expenditure, to accelerate infrastructure development without crowding out welfare spending. Borrowing may be permitted for State-funded National Highway land acquisition (₹6,000 crore) by treating it as eligible capital expenditure. It is also requested that at least 25% of the Union's 50-year interest-free capex loans to States may be earmarked as an Asset Renewal Fund, to address ageing infrastructure in developed States such as Kerala.

III. GST Reforms and Revenue Protection

The GST system has under-went a radical overhaul recently which has impacted the State's finances adversely causing substantial revenue loss to the States and in this context the following points are submitted for consideration.

- Implement a GST 2.0 revenue protection framework to prevent State-wise revenue shocks during rate rationalisation.
- Provide rule-based compensation through the Compensation Cess to States adversely affected, as reform objectives have not translated into commensurate consumer price benefits.
- Make an open protocol in all e-Commerce transactions for better transparency and avoid tax evasion.

IV. Centrally Sponsored Schemes (CSS) especially VB–G RAM G

The restructuring of MGNREGA into VB–G RAM G with a 60:40 Union–State cost-sharing pattern and expanded scope has significant fiscal implications for States. Kerala, whose wage contribution was negligible (below 2%) under the earlier framework, will now bear 40% of total scheme costs, resulting in an additional burden of about ₹1,500 crore in 2025–26. The State therefore seeks fiscal neutrality in the transition, through state-specific transition grants to offset the incremental burden, and a non-punitive performance framework that rewards high utilisation without reducing fiscal flexibility, especially during downturns and post-disaster periods. Address the fiscal impact of restructuring schemes such as MGNREGA (VB-GRAM-G) and altered cost-sharing patterns. Stabilise the role of CSS in overall federal transfers while allowing States its autonomy in implementation.

It is also requested to restore Central assistance under CSS from 60% to 75%. Introduce greater flexibility, fewer conditionalities, and State-specific components to address “second-generation” development needs of advanced States.

V. IGST and Borrowing-Related Adjustments

Kerala is presently facing acute cash flow constraints. The sharp deduction in borrowing space would disrupt public service delivery and impact State's economy. Hence the following are requested for favourable consideration.

- Restore ₹965.16 crore of IGST deductions effected in April 2025, recognising Kerala's dependence on IGST settlement.
- Allow a five-year period to build the Guarantee Redemption Fund (GRF) and restore ₹3,323 crore deducted from borrowing limits.
- Reconsider deductions for off-budget borrowing of SPVs (₹5,944 crore) and spread future adjustments over 4–5 years.
- Restore ₹1,877.58 crore adjusted prematurely, pending final GSDP figures from MoSPI.

VI. Sectoral, Climate and Institutional Support

Kerala has been bearing the brunt of significant climatic changes which has resulted in significant loss to lives and livelihood across the State. In this regard, we request the Union Government to consider the following:

- Provide budgetary support to sectors adversely affected by tariff measures, including marine exports, coir, spices and textiles.
- Establish a Climate Adaptation and Resilience Fund for States and local bodies, with formula-linked grants reflecting environmental vulnerability.
- Promote State-level Debt Management Offices, in coordination to strengthen sub-national debt management and fiscal discipline.

VII. Vizhinjam International Multipurpose Seaport (VISL)

Vizhinjam has commenced commercial operations and has already achieved 1.6 million TEU, which is more 100% capacity utilisation plant for the first year in just 6 months with expansion to 5 million TEU by December 2028 as per the supplementary concession agreement. Beyond transshipment, the port has strong potential to emerge as a national import–export gateway and growth engine for peninsular India.

To fully leverage this opportunity, the following port-led projects are proposed for FY 2026–27:

- Rail connectivity
- Port-based industrial corridor/maritime cluster
- Green hydrogen hub
- Seafood-park
- Logistics and fish landing centre
- GOI should make commensurate investments in mothership building, defence and Maritime security infrastructure for the Indian Ocean area.

VIII. Comprehensive Upgradation of ITIs in Kerala

While the Union Budget has provided ₹60,000 crore for upgrading 1,000 ITIs under the Hub-and-Spoke model, Kerala has 108 Government ITIs, many of which may fall outside the scheme. A separate allocation of ₹2,100 crore is required in FY 2026–27 for upgrading ITIs not covered under the CSS.

IX. Coastal Erosion Protection and Rehabilitation

Kerala's 586 km coastline faces severe erosion, with 61% already eroding and extremely high coastal population density. Sea level rise of 25–30 cm over the next 50 years poses grave threat to the ecosystem.

- The State requires ₹11,647.2 crore over five years for coastal protection, including ₹2,329 crore in 2026–27.
- Additionally, under the Punarageham scheme for rehabilitating fisherfolk from erosion-prone areas (₹10 lakh per household), ₹1,876 crore is required for its timely completion.

X. Paddy Procurement

The Government of Kerala has identified paddy procurement reforms aligned with Government of India policy and requires around ₹2,000 crores from FCI to clear Supplyco's outstanding liabilities while establishing modern paddy procurement centres and milling infrastructure. The State also seeks enhancement of Central assistance under the relevant CSS to at least 75% (from 60%) along with a one-time relaxation from the three-year average allocation norm (to facilitate settlement of the State ceiling).

XI. Revitalisation of the Plantation Sector

The plantation sector, a major source of export earnings and rural employment, is under stress due to price volatility, high input costs and ageing crops, disproportionately affecting smallholders, women workers and socially backward communities in ecologically fragile regions. In order to propel the plantation sector to better economic growth, we request that the following policy prescriptions may be included in the Union Budget:

- Central allocations to commodity boards have remained stagnant and need to be significantly enhanced.
- The State seeks special financial packages for replanting and rejuvenation, export promotion of tea, coffee and spices, support for value addition and branding, and incentives for organic and sustainable plantation practices.
- The State proposes creation of a ₹1,000 crore Rubber Price Stabilisation Fund, jointly subscribed by the Government of India, Government of Kerala and rubber users (33% each), to compensate farmers quarterly whenever prices fall below a benchmark of ₹250 per kg. To stabilise rubber prices, Kerala seeks Central support to strengthen the State Price Support Scheme, presently capped at ₹200 per kg.

XII. Long-pending Demands from Kerala

Let me conclude with special note that several long-standing demands of Kerala remain unaddressed, including the establishment of AIIMS in Kerala.

I hope that the forthcoming Union Budget will consider these suggestions and long pending demands of Kerala. The Sixteenth Finance Commission Report is expected to be presented in the Parliament along with the Union Budget. The State has high expectation that the requirements of States like Kerala in resource allocation will be duly addressed.

I wish that the Union Budget 2026-27 may put forward an expansionary macroeconomic policy to support the country's progress and empower the states with a view to uphold the true spirit of cooperative federalism.



GOVERNMENT OF KERALA

Speech of

Shri K. N. BALAGOPAL

Hon'ble Minister for Finance

Government of Kerala

at

PRE BUDGET CONSULTATION MEETINGS

2025-26

Jaisalmer, Rajasthan

20-12-2024

20.12.2024

Hon'ble Union Finance Minister Smt. Nirmala Sitharaman Ji, Hon'ble Minister of States for Finance, Hon'ble Finance Ministers from other States, Union Finance Secretary, other senior officials of Union Government, State Governments and friends;

First of all, I would like to extend warm greetings of Xmas and New Year. I would also like to extend my best wishes to the Hon'ble Union Finance Minister for the upcoming Union Budget 2025-26. Consistent with last year, the primary focus of pre-budget consultation of this year also prioritises macroeconomic policy and fiscal consolidation.

As we are all aware, the country's current macroeconomic situation presents several challenges. I am hopeful that the upcoming budget will comprehensively address these concerns and provide a clear roadmap for economic growth and stability.

One of the important challenges is related to the growth of the economy. Though India is one of the fastest growing economies in the world, the growth in real GDP for the second quarter, recorded at 5.4 percent, was significantly lower than projected by Reserve Bank of India (RBI) at 7 percent. This downturn was predominantly driven by a marked deceleration in industrial growth, which declined from 7.4 percent in the first quarter to 2.1 percent in the second quarter. The decline could be attributed to the subdued performance of manufacturing companies, a contraction in mining activities, and reduced electricity demand. Challenges in supply chain logistics and fluctuations in global commodity prices add to the economic strain.

Another issue is related to elevated inflation, which remains a critical hurdle for the country's growth trajectory. The economy also faces issues such as slow credit and deposit growth, tightening liquidity conditions, and a weaker currency. Moreover, achieving a Capex target of around

60 percent of the Budget Estimates (BE) between November and March presents a daunting task.

There is an urgent need for strengthening the economy, for which, the growth of the sub-national economies is also critical. In order to sustain the growth and development achievements, an expansionary role of the government is essential. The size of the government expenditure at both national and state levels are vital for achieving faster economic growth as demonstrated by most developed nations.

State governments in India are facing significant challenges in financing growth and development as their fiscal powers continue to erode. The immature implementation of GST, cessation of GST compensation and RD grants, conditions attached to the Centrally sponsored schemes, newer restrictions in borrowing, reduction in the inter se share from the divisible pool etc. are major concerns to the fiscal space of the state governments

especially Kerala. As a result, the State's own revenue has emerged as the primary source of funding for the substantial expenditure commitments entrusted to state governments. While examining the fiscal indicators, it appears that the state is on a path of fiscal consolidation. However, it's essential to recognise that fiscal consolidation achieved through restrictions in government expenditure may not necessarily be a desirable outcome. In fact, such an approach may even hinder economic growth, rendering the consolidation efforts counterproductive. We reiterate that fiscal consolidation targets should not compromise sustainable growth. Instead, state governments should be empowered to fulfil their expenditure commitments and implement macro-economic policies that can help drive faster national economic growth. Against this backdrop, the State of Kerala's aspirations for the Union Budget 2025-26 are summarized below:

1. A Special Package for Kerala

It is important to note that during 2023-24, share of Kerala's own revenue in the total revenue expenditure has been as high as 63.58%, when compared to the national average of only 53.9% - more than 10% higher than the all-state average. Yet the state is fiscally stressed especially since the central transfers have plummeted to an unprecedented low owing to stoppage of GST compensation and Revenue Deficit Grant, curtailing normal borrowing ceiling of the state to the extent of net accruals in public account and borrowing by the SOEs, and continuous decline of state share in the divisible pool from 3.875% during the 10th Finance Commission to 1.925% during the last (15th) Finance Commission. Taking these facts into account, we had submitted a detailed proposal for a special package during the previous pre-budget consultation meeting held in June 2024. Since it did not receive

the attention it deserved, we reiterate our demand for a *special package of ₹24000 Crore to tide over the current liquidity stress by scheduling it over a period of 2 years from 2025-26.*

2. 2024 Wayanad Landslide: Urgent Request for Funds

The devastating landslides that hit Kerala on July 30, 2024, resulted in one of the deadliest disasters in the state's history, with 254 fatalities, over 400 injured, and 118 people still unaccounted for. The relief efforts lasted four weeks, with the rescue team using DNA sequencing to identify victims and provide closure for survivors. Rehabilitating the affected people is now an urgent priority. The needs are fundamental and pressing: houses, cattle, schools, hospitals, infrastructure, and jobs. Since the affected area is no longer habitable due to these natural disasters and other potential hazards, Kerala plans to relocate survivors to a new township. The rehabilitation plan aims to

incorporate global best practices, adhering to the Sendai Framework and "Build Back Better" principles. This includes rebuilding homes, schools, healthcare facilities, and critical infrastructure with modern safety standards.

Given the substantial resources required, Kerala is seeking urgent central government intervention, requesting a special package of ₹2000 Crore in the upcoming Union Budget 2025-26.

3. Assistance for Vizhinjam International Sea Port

Vizhinjam International Multipurpose Seaport has already set a benchmark for performance with the start of its commercial operation. The stage is set for catapulting of India's share in logistics to a hitherto unimaginable level. The port is expecting to achieve 100% capacity utilization (1 million TEU) by first year of operations. As per the supplementary concession agreement, it is agreed to complete the capacity augmentation from 1 million TEU to

3 million TEU by Dec 2028. Even though it is acting as a transshipment port currently, possibilities abound for the port to act as the import and export gateway for a variety of capital goods, services and associated ancillary activities. Hence, VISL can act as a growth engine for the entire country with peninsular India benefitting the most. The key projects proposed by VISL to be considered as best to be initiated in the FY 2025-26 include Rail Connectivity to Port, Port based Industry Corridor/Maritime Cluster, Green Hydrogen Hub, Seafood Park, and Logistics and Fish landing Centre. *We repeat our demand for as special assistance of ₹5000 crore to VISL so that our country can harness the full advantage of the Port.*

In this regard, the state of Kerala is reiterating the request to reconsider the existing stipulated conditions of Viability Gap Funding of ₹817.80 Cr. By demanding that this amount be repaid in

Net Present Value, not only is the central government setting a new precedent for VGF, but also penalising the state government who has contributed to financing the port construction in an equal manner. Also, by requesting that the amount be paid at NPV, it is understood that the repayment would amount to more than ₹10,000 Cr. at least. This is highly detrimental to the state finances as this repayment has the potential to erode the resource base of the state and deny the people of Kerala from enjoying the fruits of the development that the port is sure to bring in. Hon. Chief Minister has also written to Hon. Prime Minister in this regard. *Hence, State of Kerala requests that this VGF be allotted as special grant.*

4. Need for a revamped borrowing modality

Government of India has adopted a new methodology from 2022-23 onwards for arriving at the eligible amount of open market borrowing.

Accordingly, three-year average of net accrual in public account is considered. This new method is adversely affecting the borrowing space of the state as we have higher accumulations under public account during 2020-21 and 2021-22. A drastic reduction has occurred in the current year open market borrowing space because of this. But, we have a clear trend of declining accruals under public account from 2023-24 onwards. *Hence it is urged to dispense with this system and to take the previous years particulars of audited accounts of AG for estimating public account accruals for succeeding years.*

In the wake of financial constraints being faced by the State and short fall in releases from Government of India even in the backdrop of the Wayanad disaster, borrowing restrictions are causing a severe financial crisis for the State. *In view of the above, normal borrowing ceiling of the State*

may be enhanced to 3.5 per cent from 3 percent of GSDP unconditionally for the financial year 2025-26.

It is also requested that additional borrowing of 0.5% of GSDP linked to Power sector reforms may be extended to the final year of 15th Finance Commission i.e. 2025-26.

5. Flexibility in borrowing limits for CAPEX Schemes

Financial implications of multiple Centrally Sponsored schemes being undertaken in states in a cost-sharing pattern needs to be highlighted. Most of the states need to find these funds from within their borrowings which in effect crowds out many other proposed developmental initiatives. To cite an example, Jal Jeevan Mission works currently being undertaken in Kerala need about ₹17,500 crore as state share over next two years. As there is financial stress and limit to state borrowings, this flagship

program of India and Kerala cannot be completed in time and more than ₹12000 crore of present investment might become unproductive. In order to complete such works, *it is urged that such financing requirements in CSS schemes may be allowed over and above State borrowing limits.*

6. Perspective shift regarding 'off-budget borrowings'

Unlike many other states, Kerala's physical infrastructure has not kept pace with the social infrastructure and the needs of the aspirational society that the investments in human capital over the years have created. Through Kerala Infrastructure Investment Fund Board (KIIFB), Kerala is bridging this infrastructure gap. But, unfortunately, the borrowings of KIIFB have been brought within the ambit of the borrowings of the state. In fact, KIIFB's borrowing mechanism is

similar to that of the agencies at the Union government level.

Another case in point is the deleterious effect of bringing borrowings of KSSPL (Kerala Social Security Pension Company Ltd) within the state's borrowing ambit. KSSPL sought to ensure that the human capital of Kerala regardless of their stature could enjoy a decent standard of living by ensuring assured social security assistance to the populace. Hampering of KSSPL's activities have the potential to derail the Kerala Model of Inclusivity to a large extent.

Hence, Government of Kerala reiterates the request that the borrowings of KIIFB and liquidity management measures of KSSPL be exempted from state's borrowing limits. *It is all the more important since the retrospective manner in which these borrowings were brought into the state's ambit is acting as a double whammy for the state finances*

(₹3140.7 Cr. for 4 years starting from 2022-23). Hence, it is requested that a policy decision eyeing the future of the state and espousing the spirit of co-operative federalism be taken.

7. Branding and CAPEX.

Govt has launched the 'Scheme for Special Assistance to States for Capital Investment' in order to facilitate higher capital investment by the State. This is a 50-year interest free loan for capital investment projects. One of the mandatory conditions to avail the benefits of the scheme is branding/naming of Centrally Sponsored Schemes'. But this particular CAPEX Scheme is a loan and not related to Centrally Sponsored Schemes. Even then, non-compliance of the branding guidelines by certain CSS hinders the fund release under Part I of the Scheme. *In view of the above, the state has been repeatedly urging that the compliance of branding /naming guidelines of all CSS may be delinked from*

the mandatory condition to avail the benefits under any part of the CAPEX Scheme.

8. Exclusion of Land Acquisition Cost from the Borrowing Limit

Kerala has spent 25% of the cost for land acquisition as part of National Highway widening. Given that Kerala has already invested substantially in this project, it is reasonable to treat this expenditure as an additional capital expenditure for National Highways. Considering this expenditure as part of the annual borrowing limits may discourage Kerala from supporting large capital projects, contradicting the Union Government's policy to encourage state capital expenditure. *Allowing Kerala to borrow ₹6000 crore in this financial year without conditions would support the state's infrastructure development and align with the Union Government's policies.*

9. Vehicle Scrapping Policy

As a result of the recently implemented vehicle scrapping policy, the registration of around 4000 vehicles owned by Government of Kerala, LSGIs, PSUs and other autonomous institutions have already expired owing to the 15-year criteria. The government is now forced to sell these vehicles at scrap value, even though many of them are in good condition for continued use. The number of government vehicles that are being stopped from use due to the 15-year age limit is increasing daily, affecting the day-to-day functions of the offices concerned. Various departments have already requested to replace these vehicles, but due to existing financial constraints, the government is unable to purchase new ones. An expenditure to the tune of ₹450 Crore is expected to replace the unusable government vehicles and ₹375 crore to replace the KSRTC buses.

Under these circumstances, it is requested that a relook into the policy, which evaluates the road worthiness based on objective criteria of performance, emissions etc. be undertaken in the longer run. Currently, in order to ensure that the functioning of government departments are not hindered, it is urged that a financial package of ₹800 Cr. be allotted to the GOK for the replacement of vehicles owned by government and public sector organizations.

10. IGST and GST Compensation

The state transitioned into the GST regime with high expectations rooted in the promise of destination principle-based revenue accrual. However, these promises have not been fulfilled to a large extent due to various legal, systemic and administrative issues. It is necessary that the legal problems plaguing GST settlement, especially with regard to services, are tackled immediately. Further,

the issue of tax evasion, especially inter-state tax evasion requires concerted efforts from the side of the Union Government. Furthermore, the IT related weaknesses resulting in incorrect settlement of revenues also need redressal to ensure economic security of the Centre and the states. Under these circumstances, *we urge the Union Government to continue the GST compensation scheme to states until systemic issues are fully corrected and the original promise of GST revenue is attained.*

11. Support for the Non-Resident Keralites

The significance of Non-Resident Indians (NRIs) in the process of nation-building cannot be neglected. Foreign remittances by Non-Resident Keralites significantly contribute to the foreign exchange earnings of the Country. For Kerala, these migrants have redefined the developmental and social paradigm of the state. State of Kerala has established Kerala Non-Resident Keralites Welfare

Board (KNRKWB) in 2008 to take care of the NRKs in the later stages of their life. During the past few years, KNRKWB has expanded its wings from various forms of social security benefits to educational assistance and urgent medical assistance- all through subscription and support from GoK. But this mode is not sustainable currently especially with falling subscriptions and increase in returnees. During the current financial year, the Board has incurred expenditure of ₹136.26 Crore against the total income of ₹64.36 Crore, so far.

As per the provisions of 3(2) of the Act, KNRKWB is empowered to accept Grants, Loans, and Advances from the Central Government, State Government, and Local Self-Government as part of the Plan Fund. *State of Kerala requests the intervention and support of Union Government in the form of a ₹300 Crore annual Budget Provision to the Kerala Non- Resident Keralites Welfare Board (KNRWB) to tide over the issues.*

12. Making Kerala the paradise of Migrants

There has been a steady inflow of return migrants to Kerala most notably from GCC especially in the COVID and the post-COVID era. It was actually the remittances from these expatriates that have played a crucial role in strengthening the local economic activity and ensuring economic stability, which in turn resulted in the domestic migrant inflow. These return migrants are also mostly low and semi-skilled workers whose rehabilitation is a pressing concern as they find themselves replaced in many sectors by domestic in-migrants. Hence, there is an urgent need for a dual pronged strategy that addresses the specific scenarios of both parties. But, Kerala's finances is not sufficient to cater to the large-scale needs of the return migrants currently. *Hence, the State of Kerala is requesting an urgent assistance from Union government by providing a special package of ₹2000 Crore in the current budget.* The verticals of this include providing scholarship for

the children pursuing High School level to Professional level, providing treatment assistance, conducting skill development courses with the help of prominent institutions in the field, setting a Foreign Language Institute for the prospective migrants by which youth from all states in India can take part in the training, Housing Scheme strictly for the returned migrants, Entrepreneurship Assistance to the returned migrants etc.

13. Comprehensive Upgradation of ITIs in Kerala

The Government of India has allocated 60,000 Crores in the current budget for upgrading 1000 ITIs under the Hub and Spoke Model, which is expected to benefit a few ITIs in Kerala. However, Kerala has 108 Government ITIs, and a significant number may remain outside the scope of this initiative. To bridge this gap, a new scheme is imperative for the financial year 2025-26. GoK requests that 2100 Crores be allotted for the upgradation of the ITIs

which may not be included in Hub & Spoke model CSS in the current financial year.

14. Climate Change

The State of Kerala continues to bear the impact of a number of natural disasters associated with extreme weather events. To take examples from 2017, Kerala witnessed extreme drought in multiple districts and the Okhi cyclone in 2017, severe flood and landslides in 2018 and 2019, Pettimudi landslide in 2020, Kootickal landslide 2021, Kanichar landslide in 2022 and Attamala-Mundakkai-Chooralmala landslide, Vilangad landslide in 2024. The impacts of climate change are evident in Kerala, with rising temperatures and changing rainfall patterns. The state needs to focus on building resilience through anticipatory measures, such as: designing and building climate-resilient infrastructure, promoting scientific agriculture and land use and implementing early warning systems.

An analysis of the State Disaster Response Funds (SDRF) reveals an additional ₹4273 crore spent between 2018 and 2024, indicating significant economic burden due to climate-related disasters. To address these challenges, the state has formed the Kerala State Climate Change Adaptation Mission (KSCCAM) to undertake focused resilience-building measures. *The mission has identified nine priority projects, with an initial financing requirement of ₹22,500 crore for climate resilience between 2025 and 2030. We request ₹4500 crore in the Union Budget 2025-26 to address this issue.*

15. Coastal Erosion and Rehabilitation

Kerala's 586 km coastline is highly vulnerable to erosion, with 360 km already affected and 61% classified as "eroding". The state's coastal population density is extremely high, with over 2000 persons per sq.km, making it a vulnerable area. Sea level rise poses a significant threat to Kerala's coastal areas, with an estimated 25-30 cm rise in the

next 50 years. The state requires ₹11,647.2 crore over the next five years to repair and protect its coastline across the 70 stretches identified till now. *Out of this, ₹2329 crore is proposed for the 2025-26 Union budget.*

Also, Kerala has initiated the Punargeham scheme to rehabilitate fisherfolk households living in erosion-prone areas, with each household eligible for ₹10 lakhs. *The successful completion of the Punargeham scheme requires ₹1876 crore, with some flats already constructed and more planned in the coming years.*

16. Human-Animal Interface

Kerala's unique geography leads to frequent human-animal conflicts, resulting in loss of life, property damage, crop loss, and depletion of wildlife. The state's forests, part of the Western Ghats biodiversity hotspot, face pressure from high population density. Despite efforts to increase forest

cover, human-wildlife conflicts persist, with 10,095 incidents reported in 2020-21 and 319 human deaths between 2009-10 and 2020-21. The number of human deaths caused by wild animal attacks was 52 in 2021-22 and 184 in 2023-24. The extent of crop damage due to Human-Animal interface is rising at an annual rate of 49 per cent. About 45 species of edible and commercial plants are regularly destroyed by wild animals. *The state requires ₹1000 crore to implement policies addressing this issue.*

17. Assistance for Elderly Care

Kerala's elderly population is growing rapidly, with those aged 60 and above expected to double from 4.2 million in 2011 to 8.4 million in 2036. This demographic shift poses significant challenges, as the elderly require more healthcare, hospitalization, and social support. By 2036, about 22.8% of Kerala's population will be senior citizens, exceeding the projected national average of 15%. The state must assess the costs of meeting the needs

of its growing elderly population, including healthcare expenses, expansion of schemes, and costs associated with functional disability. *The projected cost for expanding schemes is ₹3940 crore, which the state expects from the forthcoming Union Budget.*

18. Revitalization of the Plantation Sector

The plantation sector, a key contributor to export earnings and rural employment, faces significant challenges such as fluctuating international prices, high input costs, and aging crops. This sector is dominated by small holders and are mostly located in the environmentally fragile areas with over 50% of the labour force being women and more than 72% belonging to backward communities. Over the years, there has not been any significant increase in the allocation for the commodity boards. This trend needs to be reversed. *Some measures that are requested in this regard are Special financial packages to assist in crop replanting and*

rejuvenation, export promotion initiatives for plantation crops like tea, coffee, and spices to improve their competitiveness in global markets, support for value addition and branding of plantation products, promoting organic and sustainable farming practices in plantations to cater to emerging global demand etc.

The rubber crop requires enhanced assistance and needs Central funding to ensure the stability of rubber prices. It is necessary to augment the State support price scheme for rubber which is currently pegged at a threshold price of ₹180. Government of Kerala requests creation of at least ₹1000 crore rubber price stabilization fund to which the users of natural rubber industry may be encouraged to participate. Government of India, Government of Kerala and users may subscribe at 33% basis. The fund may assess the price level below designated prices at ₹250/Kg. and compensate the farmers on a quarterly basis.

19. Paddy Procurement

The Department of Agriculture, Government of Kerala, has commissioned an Expert Committee to review the paddy procurement norms in vogue in the State and has identified many reform measures in line with Government of India policy. *The State would require assistance to the extent of ₹2,000 Crore so as to settle the outstanding liabilities of Supplyco (the present state procurement agency) and simultaneously establish the Paddy Procurement Centres and milling infrastructure. Apart from this, Kerala would recommend enhancing the quantum of Central assistance to the State by enhancing the Central allocation to the ongoing CSS to at least 75% support instead of the present 60% and provide a one-time relaxation from the last three years average allocation rules for settling State ceiling.*

20. Regional Cancer Centre, Trivandrum

Regional Cancer Centre (RCC), Thiruvananthapuram is an autonomous scientific institution sponsored jointly by the Government of India and Government of Kerala. RCC caters to 2,50,000 patients every year with an annual new case registration of more than 16000 patients. RCC is facing space constraints and more infrastructural facilities are required for provision of better medical care and advanced cancer research. RCC has 11.68 Acres (4.72 hectares) of land which can be developed as a second campus. Globally available, best, innovative and modern facilities can be provided in the development of the infrastructure for the hospital. The state-of-the-art facilities can be provided for easy and smooth delivery of health care services and facilities for the people. *We request that RCC's 2nd campus proposal be allotted ₹1293 Cr. in a phased manner.*

21. Pradhan Mantri Uchchatar Shiksha Abhiyan (PM-USHA)

The state has signed MOU with Ministry of Education, Government of India for implementing the third phase of RUSA, named PM-USHA. The proposals of the state were submitted in March, 2023 and the PAB (Project Approval Board) for the same was held on 19/11/2024. *The State is still awaiting the decision of the PAB for total budget of ₹2117 crore for the Multidisciplinary Education and research University, Grants to Strengthen Universities and Colleges, Gender Inclusion and Equity Initiatives.*

22. Modernisation of harbours

FAO Code of Conduct for Responsible Fisheries clearly states the nation's roles and responsibilities for the development, construction, and maintenance of harbours and landing centres, as well as the establishment of an institutional framework for the

selection or upgrading of harbour sites. The current global market requires that the fish sold should be traceable not only to its country of origin but also to the waters in which it was harvested and the entire post-harvest infrastructure that handled the export product. With the implementation of the Hazard Analysis and Critical Control Point (HACCP) system, all the activities in the harbour have come under the purview of the standards prescribed. The waste disposal system, patterns of personal cleanliness of the staff and facilities for the staff are all monitored. To reach these standards, investment is required in every harbour. *An amount of ₹500 crores may be earmarked for the modernization of selected harbours to reach international standards.*

23. Urgent interventions in Kerala's Railway and Mass-transit Sector.

Kerala is one of the most densely populated states in the country with the majority of the state

having turned into one big urban agglomeration. Hence, the needs and aspirations of the society are also changing. Our transportation and logistics sector have not been able to keep pace with these changing needs. It is at this juncture that projects such as the proposed semi-high speed rail system-Silverline assumes even greater importance. Kerala reiterates that these new rail lines are necessary to decongest the traffic in Kerala. Equity cash contribution from Ministry of Railways as per DPR is only ₹2150 Crore. *Hence, Kerala requests that an all-inclusive stakeholder consultation be held and the changes/modifications to the proposed system be made without altering/reducing the envisaged idea and utility of the system.*

In line with this, Kerala would also like to highlight and reiterate the long pending requests of Kerala in the sector of railway development in the state. The Angamaly-Sabari Line which has the

potential to accelerate the development of hinterland regions of 6 districts of Kerala has been in the pipeline for decades. Kerala had also agreed to share the cost of project, but contributing to the escalated project cost is something the state cannot financially bear now. In addition to this, other major aspirations of the state like the proposed 3rd and 4th railway main lines, proposed Nilambur-Nanjangud Line, Thalassery-Mysore Line etc also are lagging far behind.

State of Kerala requests that the state's requests be considered favourably and the projects be accelerated especially in the view of the fact that Kerala is the only South Indian State with no new rail line expansion in the past 8 years.

24. Subsidies

Kerala is urging the Union Government to increase subsidies in the upcoming Budget to combat rising inflation and protect social welfare.

The state is concerned that the continuous decrease in subsidies for fertilizers, food, petroleum, and other essential items in recent Union Budgets will exacerbate the situation.

25. Traditional sectors and Scheme Workers

Small-scale industries like cashew, coir, and handloom, which employ a significant number of women workers, are facing challenges. Particularly the cashew sector was severely affected due to the depreciation of the Indian currency. State specific packages are to be announced to protect these traditional sectors.

We also reiterate our demand raised in the previous pre-budget consultation that the rate of honoraria for Anganwadi workers, ASHA workers and other scheme workers also need to be enhanced appropriately. Rate of pension under National Social Assistance programme, cooking cost in mid-day meal programme, and Government of India's

contribution in housing schemes for the poor also have to be enhanced as they were fixed a long time ago.

26. Special Assistance for Universal MGNREGA

State of Kerala reiterates our demand that the number of working days and the per-day wage prescribed in the MGNREGA scheme should be increased in view of the increasing inflation. Kerala's Ayyankali Urban Employment Guarantee Scheme, which extends MGNREGA to urban areas, is a pioneering initiative. This scheme deserves incentivisation with special support through the forthcoming Budget.

27. Long-pending Demands from Kerala

Let me conclude with a special note that many of our demands raised in the previous submissions still remain unaddressed. Important among them include establishing AIIMS in Kerala and starting an International Research Institute in Ayurveda at Kannur. Similarly, we have been arguing for a

change in the GST revenue sharing mechanism from the present 50:50 ratio to 60:40 ratio in favour of the State Governments due to the fact the expenditure obligations are more with the State Government compared to the Union and revenue raising powers are vested more in the hands of the Union. Moreover, we had always been urging the Union Government to initiate steps to improve collection of tax revenue and restrict imposing surcharges and cess in such a manner that the divisible pool of the state does not shrink substantially.

I hope that the forthcoming Union Budget will consider these suggestions and long pending demands of Kerala. I wish that the Union Budget 2025-26 may put forward an expansionary macroeconomic policy to support the country's progress and empower the states with a view to uphold the true spirit of cooperative federalism.

With Best Regards

Yours Sincerely

(K N Balagopal)