

# Reforms to continue beyond Budget: FM

● MINISTER SAYS GOVT WILL INCREASE OUTREACH TO GLOBAL INVESTORS

PRASANTA SAHU,  
KG NARENDRANATH &  
SHOBHANA SUBRAMANIAN  
New Delhi, February 4

**THE BUDGET 2026-27** would have been no different—neither more nor less aggressive or ambitious—even if the India-US trade deal had preceded it, Finance Minister Nirmala Sitharaman said on Wednesday. She stressed, however, that a fresh wave of reforms would now unfold outside the Budget's explicit ambit in the coming months.

In an exclusive interview with *Financial Express*, Sitharaman said the government would step up its global investor outreach, including to Canada and countries in the European

Free Trade Association such as Norway, while continuing efforts to improve the investment climate.

"Reforms don't happen only through the Budget; they are continuous. The Budget need not be the only instrument or platform through which all this happens. Outside the Budget too, policy measures will continue," she said.

Asked what message she would like to send to overseas

investors now that the US tariff on Indian goods has been reduced to 18%—at par with or lower than major competitors in its largest export market—Sitharaman said: "If China-plus-one is for the world's bene-

fit, they should be in India."

Her remarks come amid concerns over prolonged portfolio outflows and a thinning of net foreign direct investment into India.

While the trend predates recent developments, several global investors appear to have turned cautious, particularly after the US imposed an additional 50% tariff on most Indian exports. The Economic

Survey termed this a paradox, noting that India's "strongest macroeconomic performance in decades" has coincided with a global system unwilling to reward such success with currency stability, capital inflows or strategic insulation.

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SITHARAMAN SAID A large and growing pool of global investors is keen to increase exposure to India's real economy. She plans visits to Norway and Canada soon as part of this outreach. "In many ways, India is the best place in terms of return on investment. I've recently heard Norwegian investors and Canadian funds wanting to come to India. There is a realisation that India is the place to be," she said, adding that the EFTA countries' \$100-billion investment pledge under the recently concluded free trade agreement is "very much in the pipeline".

Policy focus, she said, would remain firmly on "growth through manufacturing", encompassing both large and small firms. "Technology infusion, efficiency, skilling, education, health and allied services will all be encouraged."

Defending the slower pace of fiscal consolidation announced in the Budget, Sitharaman said growth had been accorded top priority from the outset, and therefore fiscal tightening could not be

"excessively aggressive or agonisingly slow". With tax giveaways—on GST, income tax earlier and customs duties more recently—revenue buoyancy may take "a bit of time" to pick up. "So I will have to balance fiscal consolidation and growth," she said.

On the remit of the newly announced High-Level Committee on Banking for Viksit Bharat, Sitharaman said its mandate would differ from earlier panels such as the Narasimhan I and II and PJ Nayak committees. "This committee is focused on the Viksit Bharat objective and what is needed for 2047. We are speaking from a position of strength. Banks were not as strong when the earlier committees were formed, but thanks to their recommendations, they are now in good health," she said.

Asked whether reported plans for further bank mergers would be put on hold until the committee submits its recommendations, the minister said: "Nothing has crystallised on that yet. That decision will be taken as we go along."

