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## **The foundation of growth: Why this budget's focus on technology is the key to India's prosperity**



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### **Article Content:**

By integrating technology across manufacturing and skilling, the government is building a resilient ecosystem designed for sustainable job creation. This foundational approach ensures India's growth is driven by technological amplification and digital trust, securing its role as a vital partner for the Global South.

Five years from now, when India is spoken of as a global hub for data centres, artificial intelligence and semiconductor manufacturing, this Budget may well be remembered as the one that laid the groundwork.

The Budget places technology at the centre of job creation and economic growth, not as a standalone sector, but as a force that cuts across manufacturing, infrastructure, skilling, media, semiconductors and data. The message is clear: India's growth story will not be driven by labour alone, but by how effectively technology amplifies labour at scale.

Technology now is not confined to one announcement. It shows up in manufacturing policy, in electronics and semiconductor value chains, in AVGC and creative sectors, and in the push for large-scale data centre capacity. The government appears to be thinking in terms of entire ecosystems, from chip design to electronics manufacturing, from data processing to AI-led applications that ultimately sit on top of this infrastructure.

The focus on electronics and semiconductors is strong. Instead of treating chip manufacturing as a standalone ambition, the Budget approaches it as a supply-chain challenge that requires resilience. It looks beyond fabs to include design, packaging, testing, contract manufacturing and electronics assembly. This reflects a more realistic understanding of what Atmanirbhar means in a world where no country operates in isolation.

Alongside semiconductors, the emphasis on contract manufacturing is important. As global supply chains diversify away from over-dependence on a few geographies, India is positioning itself as a credible manufacturing and assembly destination. Strengthening electronics manufacturing services, component ecosystems and export-oriented production ties India's semiconductor ambitions directly to

real-world industrial outcomes and job creation.

Data centres emerge as another foundational pillar of the Budget. They underpin everything, from cloud computing, digital public infrastructure, enterprise digitization and artificial intelligence. As we have consistently highlighted in earlier research and writing, AI ambition without data infrastructure is largely theoretical. The Budget's sustained focus on data centres suggests that this connection is now clearly understood at the policy level.

This link becomes even more evident when viewed alongside the India AI Mission. Rather than framing AI as a futuristic promise, the Budget treats it as a result something that will emerge once the right foundations are in place. Compute infrastructure, data availability, skilled talent and industry adoption are all being pushed forward together. This layered approach reduces the risk of chasing headlines without delivering meaningful outcomes.

Technology-led growth is only possible if people can actually participate in it. The Budget's emphasis on future-ready skills across manufacturing, digital systems, creative technologies and emerging sectors reflects an understanding that jobs of the future will not automatically appear. They will need to be enabled, upgraded and continuously supported.

Beyond domestic impact, the Budget also has a clear global dimension. Large parts of the Global South, across Africa and parts of Asia, remain under-invested in digital infrastructure, particularly data centres and advanced compute. India's investments in these areas position it not only as a growth engine at home, but as a digital partner for other developing economies. Over time, this could translate into leadership in cross-border digital services, AI solutions for emerging markets and South-South technology collaboration.

The Budget recognises that economic influence in the coming decades will not be shaped only by trade routes or manufacturing scale, but by data flow, digital infrastructure and technological trust.

This is not a Budget designed for quick wins or instant consumption-led growth. Its benefits will compound over time, as supply chains mature, skills deepen, data infrastructure scales and AI moves from experimentation to real-world impact.

This Budget signals that sustainable growth comes from systems, not schemes. And in doing so, it reinforces that India's future jobs and prosperity will be built not just by hands, but by systems designed, developed and managed in India itself.