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Subhash Sethi, Chairman, SPML Infra Limited on upcoming budget

Infrastructure Development is Crucial for Economic Progress

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There is hardly any country across the globe that has not been affected by the spread of Omicron. This is again impacting the economy and businesses for the third year in a row. Some business segment may get better under the pandemic, while some would weather the storm with difficulty, but the construction industry is suffering majorly both in terms of reduced business and inordinate delay in project execution due to COVID induced restrictions and shortage of skilled labour force. This pandemic also presented an opportunity for infrastructure sector to transform with digitization and automation for construction and project execution with greater use of disruptive technology.

The Indian economy has shown the rebound and moved on a faster pedestal in past two quarters to recover the loss incurred last year due to wide spread COVID-19 disruptions. The Budget 2022 is scheduled to be presented on 1st February and we hope that the Hon'ble Finance Minister of India will make provisions that echo the sentiments of people for re-tracking the economy train.

An efficient infrastructure is the biggest enabler for growth and India is set to become the fastest construction market in the world by 2030. Construction sector is the backbone of economic progress and has a significant contribution in all activities that help in the development of a nation. The pandemic is still spreading and with repeated disruptions it is difficult to predict what will finally emerge. The government is working to combat the slowing GDP and help the construction sector as it forms the spine of several other sectors. We are hopeful that the government will come out with fresh measures in this year's budget that will help the sector to rebound and it is absolutely necessary to arrest the fall and sail towards the ambitious target of achieving 5 trillion dollar economy in the next 3 years' time.

The infrastructure developers in the country are looking forward to this year's budget and expect that the FM will give proper impetus to some of the burning issues that needs urgent attention.

- Relief measures should be announced for distressed construction businesses including a long term moratorium on debt repayments and redefinition of non-performing assets for giving an opportunity for distressed businesses across sectors.
- We expect that the government should increase spending on infrastructure development projects, especially in water, sanitation and renewable energy to reinvigorate the industry and regain the momentum of the economy.
- A time-bound clearance window for all futuristic infrastructure development projects must be created and sustained monitoring at the higher level should be done to address issues expeditiously. The inordinate delay in land acquisition, environment and other statutory compliances are the main cause of delay in construction projects.
- There should be a clear guidelines to decide in a time bound manner all construction related litigations that has become a part of the construction industry in India and not only delays the project, but also results in financial losses to both the parties involved.
- There need to be a clear strategy and proper framework to complete the arbitration process in a timely manner and the decision will be honoured by the parties. The arbitration in

construction claim and disputes drags on for such a long period that it defeats its purpose of swift, inexpensive, efficient, and informal mode of dispute resolution.

Infrastructure development at a massive scale will be needed to make clean drinking water available to people along with sustainable liquid and solid waste treatment plants and management systems for treating and reusing of generated wastewater and recycling and reducing solid waste in both urban and rural areas. Water being the mainstay of economic activities, needs special attention and budgetary allocation apart from Jal Jeevan Mission for creating urban infrastructure for drinking water as well as wastewater treatment system to reclaim and reuse it optimally. Other vital construction like roads & highways, railways, air-water-surface transportation's, clean energy and technology infrastructure needs to be improved.

Construction halt, invocation of bank guarantees, revocation of contracts, late payments, labour crunch and working capital pressure are the nightmares for construction industry. All these issues need timely intervention and proper solution to move ahead from the declining curve.