

# INFRASTRUCTURE: STEERING GROWTH



Infrastructure development is undoubtedly one of the major catalysts of economic growth. For India, which is aiming to become a USD 5 trillion economy by 2025, infrastructure development will play a very critical role. And, India is making strides in that direction.

In the last few years, there has been a renewed focus on creating a robust and sustainable infrastructure, with a view to strengthen India's position on the global map. With infrastructure clearly being the focus area, the government is continuously introducing new initiatives and programs along with increasing budgetary allocations every year.

In the Union Budget 2021, the government has allocated 34.5% more (BE to BE) than last year to infrastructure development, and has given equal emphasis to all physical infrastructure including roads and highways, railways, urban infrastructure, power, port, shipping and airways, and petroleum and natural gas.

In the budget, the government has allocated Rs 20,000 crore to set up and capitalise a Development Financial Institution (DFI)—to act as a provider, enabler and catalyst for infrastructure financing. A Rs 5 lakh crore lending portfolio will be created under the proposed DFI in three years. It has also earmarked Rs 1.18 lakh crore, the highest ever outlay, for Ministry of Road Transport and Highways, of which Rs 1.08 lakh crore is for capital expenditure.

Under the Bharatmala Pariyojana, with an estimated investment of Rs 5.35 lakh crore, almost 13,000 km of roads worth Rs 3.3 lakh crore have been awarded for construction. A significantly large amount of funds have been earmarked for ongoing and new economic corridors/expressways. Besides, Rs 1.10 lakh crore has been allocated to the Railways, of which Rs 1.07 lakh crore is for capital expenditure with a promise to complete 100% electrification of broad-gauge routes by December 2023.

## ROADS & HIGHWAYS

Infrastructure development plays an important role in fulfilling the vision of India in becoming USD 5 trillion economy in the next 5 years. Government is investing USD 1.4 trillion in infrastructure development through National Infrastructure Pipeline and will soon launch the national master plan of Prime Minister Gatishakti Scheme of more than Rs 100 lakh crore for holistic and integrated infrastructure development in the country. The Gatishakti master plan will provide the framework for the NIP program and is aimed at making Indian products more competitive by cutting down the logistic costs improving the supply chains.

**NITIN GADKARI**

Union Minister for Road Transport and Highways



India is poised for a significant growth, thanks to the various initiatives taken by the government to give a boost to the infrastructure sector. The National Infrastructure Pipeline (NIP) for FY 2019-25 is a first-of-its-kind initiative undertaken by the government to provide world-class infrastructure to citizens and improve their quality of life. In the Union Budget of 2021, the Government has allocated 34.5% more than last year for infrastructure development, and given equal emphasis to all physical infrastructure including roads and highways, railways, urban infrastructure, power, port, shipping, airways, petroleum and natural gas. The Budget 2021 has given much-needed impetus to infrastructure development reducing trade and transaction costs and improve factor productivity. Moreover, the focus on roads and railways will create a unified market in India for the seamless movement of goods and human resources.

**RAJENDRA CHOPDE**

Sr. Vice President (Projects), Patel Engineering



To accelerate the pace of construction and support businesses, large number of initiatives have been taken to revive the stalled projects and expedite completion of new projects. These include streamlining of land acquisition and acquisition of major portion of land prior to invitation of bids, securitization of road sector loans, revamping of disputes resolution mechanism to avoid delays amongst others.

**BVN RAO**

Chairman, FICCI Transport Infrastructure Committee and Business Chairman (Transportation & Urban Infra), GMR Group



As economies are slowly opening up amidst Covid-19 induced restrictions, governments across the globe are expected to invest in infrastructure to stimulate and revive respective economies. The construction industry will benefit from such investments.

**S PARAMASIVAN**

Managing Director, Afcons



## AIRPORTS

It's the vision of our Prime Minister Narendra Modi to enable economic growth through better connectivity. Through our policy of UDAN - UdeDesh Ka AamNagrik, better aerial connectivity is being pushed to the hinterlands of India. India is on a cusp of a travel revolution. The concept of high-volume travel at the low cost of travel is what this ministry represents. We are committed to open new vistas & new avenues for the region. In a short span of 7 years, under the leadership of our Prime Minister Narendra Modi, we have gone from 60 airports in 2016 to 136 airports in 2021.

**JYOTIRADITYA SCINDIA**  
Union Minister for Civil Aviation



Regional connectivity plays an important role in making air travel accessible and affordable, and also in boosting the economy of smaller cities and towns. In India, air connectivity was largely limited to metropolitan cities and some big cities or state capitals. In July 2016, the Civil Aviation Ministry of the Government of India announced National Civil Aviation Policy 2016, which encompasses UDAN-RCS, which is an effort towards regional airport development, and the Regional Connectivity Scheme (RCS) that aims to make air travel widespread.

**CAPT AJAY CHAUHAN**  
CEO, GUJSAIL



India's transportation infrastructure has witnessed phenomenal growth in the last two decades. Mega projects such as the Golden Quadrilateral national highway network, modernization of airports, rapid-transit metro railways, high-speed and semi-high-speed rail projects, dedicated rail freight corridors, and the Bharatmala Pariyojana national highway project have revolutionized the capacity and quality of the transport infrastructure in India. The national agenda to enhance regional connectivity has aggregated a strong pipeline of airport projects with a plethora of opportunities, particularly in the Greenfield airport development.

**JAIRAM PANCH**  
Managing Director, Turner India



## ENERGY

India is the world leader in energy transition and intends to continue leading the path. India's NDC is to increase the share of non-fossil fuels to 40% of the total electricity generation capacity by 2030 but at the current rate we might be able to achieve almost 50 percent from non fossil fuel by 2030. We have achieved the milestone of 100 GW of installed renewable energy capacity which is a matter of pride for us. This not only marks an important milestone in India's journey towards its target of 450 GW by 2030, but also builds upon the confidence to achieve more and be among the leading countries embarking on a path towards energy transition globally.

**RK SINGH**  
Union Minister of Power and New & Renewable Energy



The past decade has seen major developments in the Indian power sector, like reforms to facilitate the entry of private sector players across the generation, transmission and distribution segments along with permitting 100% FDI. Further, with the advent of tariff-based competitive bidding, public and private sector players are operating at a level-playing field. These measures have encouraged private players to enter the fray and contribute meaningfully to the sector. The domestic power transmission segment is expected to attract investments worth Rs 3.4 trillion over the period 2021-2025.


**AMIT UPLENCHWA**

Director - Group Strategy &amp; Subsidiaries Operation, KPTL

Power sector in India as such has improved a lot in last two decades. The country added around 4 lakh MW (including captive) and now electricity is grid connected with all villages and all house. India is poised to achieve 4.50 lakh MW by 2030 and renewable energy need to be encouraged. There is still a lot that needs to be done on energy front.


**D RADHAKRISHNAN**

Chairman of Tripura Electricity Regulatory Commission

## RAILWAYS

Prime Minister Narendra Modi has been stressing upon the need for bringing about reforms in Railways. The vision is to make a wholesome transformation and not just incremental changes. Our Government is pursuing these projects on an express mode. This Union Government is committed to provide better connectivity and amenities to our esteemed passengers.


**ASHWINI VAISHNAW**

Union Minister of Railways

Infrastructure and especially Railways has been the bedrock of Indian economy. For a country like India, connectivity from a village to a city needs considerable infrastructure in place. Indian Railways has been focusing on increasing the throughput, capacity, availability and efficiency. Smart connectivity in freight as well as passenger transport can boost inter-city travel, trade and improve livelihood.


**TILAK RAJ SETH**

Head, Mobility, Siemens

The most critical change we have seen in Indian Railways is their re-designed approach. In 2004, 99% of the manufactured wagons were bought by Indian Railways. Today, 65-70% manufactured wagons are bought by Indian Railways and the balance is bought by the private Industry players, like EFT operators, end-users such as Steel and Cement plants, and the auto-mobile industry. This is evolving further as the railways are utilizing these schemes to encourage more private participation in the purchase of wagons and the railway industry may now use these resources towards building up the infrastructure.


**VIVEK LOHIA**

Chairman, National Council - Railways, ASSOCHAM &amp; Director, Jupiter Wagons Group &amp; CEBBCO

## URBAN DEVELOPMENT

By 2030, almost 70% of the national GDP will come from our cities as rapid urbanisation facilitates efficiencies of agglomerations. The best-performing cities globally contribute five times more to national GDP than comparable Indian cities. We need to generate a similar density of economic activity from our cities to answer the calls of our honourable Prime Minister in becoming a USD 5 trillion economy. Even as cities become the engines of our country’s economy, it is equally important to address the infrastructure deficits that will arise from rapid urbanisation and complex migrant flows.



**HARDEEP SINGH PURI**

Union Minister of Housing and Urban Affairs

For a country with 1396 million residents, improving quality, access, services, reach and sustainability of infrastructure has been a ceaseless endeavour. The proactive measures taken by the government to develop robust infrastructure are showing positive results and the journey of economic progress. The focussed approach and targeted infrastructure development goals have started showing good results.



**SUBHASH SETHI**

Chairman, SPML Infra

The government proposed the sustainable urban development initiatives to meet the economic and societal needs, with the aim of building a sustainable society. Understanding the present infrastructural scenario in the various towns and cities of India would need a relook and sustainable tech adoption to meet the rapidly expanding urbanization and population, these initiatives were undertaken.



**AMIT VAIDYA**

Director, India – Metrology Business, Sensus, a Xylem Brand

The government has taken many initiatives towards sustainable urban development. The Jal Jeevan Mission is a stellar move when it comes to furthering the water infrastructure in the country. The Atal Mission is another initiative aimed towards establishing infrastructure that will ensure adequate robust sewage networks and water supply for transformation of urban infrastructure by implementing urban revival projects..



**RANGARAJAN RAMASWAMY**

Area Sales Director – Water Utility, Grundfos India

## PORTS & SHIPPING

“ Vision of the Sagarmala Programme is to reduce logistics cost for EXIM and domestic trade with minimal infrastructure investment. The initiative paves way for the Ports sector to anchor the structural and sustainable growth in India. This, in turn, will open up a large range of opportunities, be it brownfield assets or greenfield assets. However, to encourage such investments, Public Private Partnership Projects and low-cost long duration funding will be critical and needs attention on immediate basis.

**RAJIV AGARWAL**  
CEO and Managing Director, Essar Ports



“ The logistics and warehousing industry is integral to India's manufacturing ambitions and its journey towards becoming a USD 5 trillion economy. India's logistics cost to GDP is among the highest in the world. The expansion of infrastructure will boost economy-wide competitiveness and result in private sector investments. Since 2015, the Government of India has put massive investments in both Bharatmala and Sagarmala projects. Through these initiatives, new highways have been proposed along with reconstructing the old ones. Similarly, additional ports are being constructed to boost coastal connectivity and capitalize on our waterways. Both these initiatives have successfully reduced inventory costs and decreased transportation and communications costs, which has paved the way to create a thriving logistics ecosystem.

**RAJESH JAGGI**  
Vice Chairman - Real Estate, Everstone Group



## INFRA PROJECTS

- Narmada Valley Development Project:
- Navi Mumbai International Airport
- The Delhi-Mumbai Industrial Corridor (DMIC) –
- Bharatmala Project
- Sagarmala Project
- Mumbai Trans Harbour Link
- Coastal Road
- Maharashtra Samruddhi Mahamarga
- Inland Waterways
- Metro Rail Network
- Mumbai–Ahmedabad High-Speed Rail Corridor
- Dedicated Freight Corridors
- Smart Cities Mission

