

## CENTRE PLANS INFRA PROJECTS WORTH 7 TN OVER NEXT 2-3 YRS

Relevant for: Indian Economy | Topic: Infrastructure: Roads

**NEW DELHI** : Union minister for road transport and highways Nitin Gadkari on Friday urged investors to take advantage of the diverse opportunities spanning asset classes in the infrastructure sector, including highways, multimodal logistics parks, wayside amenities, ropeways and warehousing zones.

Addressing the National Conference on Investment Opportunities in Highways, Transport and Logistics in Mumbai, Gadkari said: "The internal rate of return in the road sector is very high and, hence, there is no need to worry about economic viability."

He said the earlier delays due to land acquisition have been addressed, and projects are not awarded before 90% land acquisition is complete and environment clearances are obtained. Citing various steps taken by his ministry to speed up road construction, he said: "Keep your confidence 110%."

Gadkari also highlighted the benefits of projects under the Bharatmala programme. "Travel time from Mumbai to Delhi, via road, will go down from 48 to 12 hours in one year; road and multimodal infrastructure projects will reduce logistics costs and boost manufacturing, increase exports and help the economy grow."

Bharatmala is the umbrella flagship programme for national highways development with a focus on improving efficiency of freight and passenger movement and the development of allied infrastructure.

The national conference informed investors and other stakeholders that the Centre plans to execute infrastructure projects worth 7 trillion over the next 2-3 years.

Gadkari also spoke about the benefits of the vehicle scrapping policy. "This will reduce pollution, improve tax revenues, help growth of automobile sector, boost exports and create jobs. It is a win-win situation, in which investment on high scale can come in."

The voluntary vehicle-fleet modernization policy aims to create an ecosystem for phasing out unfit and polluting vehicles. He said 50-70 registered vehicle scrapping facilities will be set up across India over the next five years to cater to the expected demand.

Gadkari said the 7.5 trillion domestic automobile industry will double to 15 trillion in the next five years.

He also stressed upon the importance of alternative fuels such as ethanol and asked the Maharashtra transport department to launch ethanol-driven auto rickshaws in Pune, which has three ethanol dispensing stations. "Encouragement to alternative fuels will ultimately help the scrapping sector as well," he added.

On the government's asset monetization programme, Gadkari cited the example of the Mumbai-Pune highway, which brought higher rate of return to the state and the Centre. "Reliance had quoted 3,600 crore for the project, but Maharashtra State Road Development Corp. built it for 1,600 crore. Subsequently, the state monetized it for 3,000 crore. The same project was recently

monetized again for 8,000 crore," he said.

Giridhar Aramane, secretary, ministry of road transport and highways, said coordinated implementation of infrastructure facilities will benefit through Gati Shakti programme. "We are doing scientific logistics effectiveness studies to identify bottlenecks in infrastructure projects. To remove bottlenecks, NHAI has identified 120 congestion points across the country; ring roads and bypasses are being built to reduce congestion in cities. After connecting all state capitals with at least four-lane national highways, we are now planning to have expressways connecting all important economic centres."

"To facilitate work of contractors, we have thrown out all provisions which caused disputes and caused contractors a lot of pain and loss. NHAI held meetings with managing directors of contractors and concessionaire companies and based on an honest dialogue, problems in highway construction have been addressed. This has resulted in the record road construction of 37km per day last year," he added.

NHAI chairperson Alka Upadhyaya said it was developing facilities and allied infrastructure under the PM Gati Shakti National Plan.

"The new thrust is on development of allied highway initiatives like multi-modal logistics parks, last-mile connectivity through ropeway projects and fiber cables along the national highways. Almost 8,400km greenfield expressways are being built as part of the Bharatmala Pariyojana. These corridors will change the face of national highways infrastructure and supercharge India to a \$5 trillion economy," she added.

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