

Overview

9.4 All segments of the Infrastructure sector (Power, Railways, Ports, Roads, and Telecommunications) registered good growth in April-December, 2002 compared with the same period last year.

1. Overall power generation grew by 3.7 percent, which was higher than the 2.8 percent growth seen in the preceding year. This was led by growth in thermal and nuclear generation, which grew by 6.1 percent. Hydel generation fared badly, owing to the deficient monsoon.
2. Freight traffic carried by the railways grew by 6.5 percent, compared with the growth of 2.7 percent in the same period last year.
3. Cargo traffic at major ports grew by 8.7 percent. The highlights of this were strong growth in handling of foodgrains (187 percent) and container traffic (19.2 percent).
4. Passenger traffic at domestic and international terminals grew by 8.8 and 7.4 percent, respectively. However, cargo handled fared well, with growth rates of 13.9 percent for exports and 20.3 percent for imports.
5. In the area of telecom, the number of new connections grew by 17 percent, as compared with a decline (-24 percent) in the previous year. Prices for long distance telephony and cellular phone services have fallen sharply.
6. In the roads sector, 4,064 kilometres of national highways were upgraded/strengthened during April- December 2002, an improvement of 99.7 percent when compared with the previous year.
7. The six core industries (i.e. electricity, crude oil, petroleum products, coal, steel and cement), which are key inputs to infrastructure sector, and have a weight of 26.7 per cent in the overall Index of Industrial Production (IIP), registered a growth of 5.4 percent as compared to 2.5 per cent during the corresponding period of last fiscal. Of these, cement and steel, with a combined weight of 7.1 percent in the

Box 9.1 : Major initiatives for infrastructure policy

Infrastructure Finance

- An Infrastructure Equity Fund of Rs.1,000 crore is being set up to help in providing equity investment for infrastructure projects.
- An institutional mechanism is being set up to coordinate debt financing by financial institutions and banks of infrastructure projects larger than Rs.250 crore. Industrial Development Finance Corporation (IDFC) will act as the coordinating institution with primary responsibility for different sectors being shared with Industrial Development Bank of India (IDBI) and Industrial Credit and Investment Corporation of India (ICICI).

Power

- Twenty five State Governments have signed Memorandum of Understanding (MOU) / Memorandum of Agreement (MOA) with the Centre to undertake reforms in a time bound manner.
- Twenty two States have constituted or notified the constitution of a State Electricity Regulatory Commission (SERC). Thirteen SERCs have issued tariff orders.
- Nine State Electricity Boards (SEBs) have engaged in unbundling and corporatisation.
- The allocation to the Accelerated Power Development and Reform Programme (APDRP) was stepped up to Rs.3,500 crore in 2002-03.
- The Standing Committee on Energy has considered the Electricity Bill, 2001 and laid its report in the Parliament on November 12, 2002.

Telecom

- The Standing Committee on Communications & IT has considered the Communication Convergence Bill 2001 introduced in the Lok Sabha on August 31, 2001 and laid its report in Parliament on November 20, 2002.
- Competition has been introduced in all service segments.

Roads

- The 'Golden Quadrilateral' is expected to be substantially completed by December 2003.

Civil Aviation

- International airports at Delhi, Mumbai, Chennai, and Kolkata are proposed to be upgraded to the standards of world class airports.
- New international airports at Bangalore, Hyderabad, and Goa are planned, with private sector participation.

Railways

- National Rail Vikas Yojana launched.
- Seventeen inter-city train services called Jan Shatabdi introduced.

IIP, registered a growth of 9.7 percent and 8.1 percent respectively.