

Infrastructure

Provision of quality and efficient infrastructure services is essential to realize the full potential of the growth impulses surging through the economy. There is now a widespread consensus that exclusive dependence on government for the provision of all infrastructure services introduces difficulties concerning adequate scale of investment, technical efficiency, proper enforcement of user charges, and competitive market structure. At the same time, complete reliance on private production, particularly without appropriate regulation, is also not likely to produce optimal outcomes. India, while stepping up public investment in infrastructure, has been actively engaged in finding the appropriate policy framework, which gives the private sector adequate confidence and incentives to invest on a massive scale, but simultaneously preserves adequate checks

and balances through transparency, competition and regulation.

9.2 An investment of Rs.14,50,000 crore or about US\$320 billion would be required in the infrastructure sector during the Eleventh Five Year Plan. These investments are to be achieved through a combination of public investment, public-private-partnerships (PPPs) and exclusive private investments, wherever feasible. Investment requirements by 2012 estimated by the Committee on Infrastructure, headed by the Prime Minister, in some of the key sectors are: Rs.2,20,000 crore for modernization and upgradation of highways; Rs.40,000 crore for civil aviation; Rs.50,000 crore for ports; and Rs.3,00,000 crore (of which 40 per cent is expected to come from the private sector through PPP) for the Railways.