

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5776
ANSWERED ON:02.05.2003
PARTICIPATION OF PRIVATE SECTOR
ASHOK KUMAR PATEL

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) whether the Government propose to privatise Telecom, Power, Roads, Railways and Airport Sectors;
- (b) if so, the details thereof;
- (c) whether the Government have chalked out a plan in this regard;
- (d) if so, the details thereof; and
- (e) the time by which final decision is likely to be taken in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) & (b): In a wider economic sense, any process which reduces the involvement of the State or the public sector in economic activities is called privatization, which is generally in keeping with the trend of liberalization, deregulation, delicensing, and globalisation of the economy. Private participation and private investment including foreign investment of varying degrees is allowed in telecom, power and airport infrastructure. In the road sector, under the National Highway Development Project (NHDP), roads are being constructed by domestic and foreign contractors with joint ventures between India and foreign companies. Indian railways has also formalized public private partnership arrangements in rail projects for various activities such as port connectivity, gauge conversion, electrification, doubling of lines, development of suburban transportation and connectivity to remote and backward areas with new railway lines.

(c), (d) & (e): In the Union Budget 2003-04, measures have been announced to encourage public private partnership in infrastructure, principally in roads, railways, airports and sea ports, through an innovative funding mechanism. This comprehensive initiative will cover:

- 48 new road projects at an estimated cost of around Rs.40,000 crores with a quarter of them being made of cement concrete;
- National Rail Vikas Yojana projects worth Rs.8000 crore;
- Renovation/modernization of two airports, and two seaports at an estimated cost of Rs.11,000 crore.
- Establishing two global standard international convention centers at an estimated cost of Rs.1000 crore.

In the power sector the following announcements have been made:

- The mega power project policy to be liberalized further by extending all the benefits to any power project that fulfils the conditions already prescribed for mega projects.
- A special allocation of Rs.20 crore to CSIR for launching incentive driven research in fields of solar energy, wind turbines, hydrogen fuel as alternative to fossil fuels.