

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

STARRED QUESTION NO:119

ANSWERED ON:08.08.2011

ROAD BUILDING COST

Naik Dr. Sanjeev Ganesh;Sule Supriya

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the National Highways Authority of India has proposed to increase the cost of building roads/highways in the country;
- (b) if so, the reasons for increasing the cost of road-building;
- (c) whether the Chaturvedi Committee has submitted its recommendations on the new cost-structure;
- (d) if so, the details thereof and if not, the time by which these recommendations are likely to be submitted; and
- (e) the steps taken/being taken by the Government to control and bring down the existing approved cost of road building?

Answer

MINISTER OF ROAD TRANSPORT AND HIGHWAYS (DR. C. P. JOSHI)

(a) to (e) A statement is laid on the table of the House.

STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 119 FOR ANSWER ON 08.08.2011 ASKED BY DR. SANJEEV GANESH NAIK AND SHRIMATI SUPRIYA SULE REGARDING 'ROAD BUILDING COST'

(a) & (b) No, Madam. However, National Highways Authority of India (NHA) prepares project reports in which cost of the project is estimated on the basis of manual of standards and specifications in the Ministry of Road Transport & Highways data book and the schedule of rates of concerned State Public Works Departments (PWD). Construction costs increase due to overall price escalation of various commodities including construction materials, increase in labour cost etc. in the economy, resulting in increased cost of road building, which as and when notified by the various State PWDs, is taken into account while preparing the estimates for feasibility study reports/ detailed project reports.

(c) & (d) The Chaturvedi Committee had on the basis of deliberations with various stake holders, used the following costing, in the year 2009, to recommend the financing plan for National Highways Development Project (NHDP). The average cost of construction per Kilometer (KM) by for different types of projects taken by the Chaturvedi Committee is as followed:

NHDP Phase Unit Cost per KM (in Rs. Crores)
Phase - II other than J & K 9.50 for four laning.
Phase - II, J & K only 40.29 for four laning.
Phase - III 9.50 for four laning;
3.50 for two lane with paved shoulder.
Phase - IV 2.50 for Build-Operate-Transfer (BOT) (Toll) and BOT (Annuity) ;
2.00 for Engineering Procurement Contracts (EPC).
Phase - V 10.00 for six laning.
Phase - VI 17.50 for expressways.
Special Accelerated Road 8.06 for BOT (Annuity);
Development Programme - 7.88 for EPC.
North-East (SARDP-NE)

The Committee has not given any recent or new cost recommendation in this regard.

(e) With increase in prices, the cost estimates go up in accordance with the prevalent schedule of rates. All endeavours are made to keep the costs in control by efficient execution of projects and due diligence at various levels.