

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:3514
ANSWERED ON:29.07.2009
FICCI-DELOITTE ON INDIAN INFRASTRUCTURE
Rao Shri Nama Nageswara

Will the Minister of PLANNING be pleased to state:

- (a) whether the FICCI-Deloitte has conducted any study on Infrastructure sector of the country;
- (b) if so, the outcome thereof including the deficiencies pointed out and their redressal suggested in the study; and
- (c) the measures initiated or proposed to be initiated by the Government to redress these deficiencies?

Answer

MINISTER OF STATE IN THE MINISTRY OF PLANNING AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI V. NARAYANASAMY)

(a) Yes, Sir.

(b): The FICCI-Deloitte had conducted a study on Infrastructure sector of the country. The study had highlighted that the key infrastructure sector of the country are highly congested. Since the Indian economy is growing at a faster rate, this congestion may hamper the growth and competency of the economy. Further, it was stated that it is necessary to boost investor's confidence in infrastructure sector.

(c): A Cabinet Committee on Infrastructure has been set up:

(i) to consider and take decisions in respect of all infrastructure related proposals costing more than Rs. 150 crores specifically those concerning Energy, Railways, Roads and National Highways, Ports, Airports, Telecommunications, Information Technology, Irrigation, Housing and Urban Development with particular emphasis on rural housing and urban slum clearance;

(ii) to consider and decide measures; namely, fiscal, financial, institutional and legal required to enhance investment in the infrastructure sector, including grant of requisite approvals to facilitate private sector investment in specific projects;

(iii) to lay down annual parameters and targets for performance for all infrastructural sectors; and

(iv) to review the progress of infrastructural projects.

A Viability Gap Funding Scheme was notified in 2006 to enhance the commercial viability of competitively bid infrastructure projects which are justified by economic returns, but do not pass standard thresholds of financial returns. Under the scheme, grant assistance of upto 20% of project capital costs can be provided by the Central government to PPP projects.