

**GOVERNMENT OF INDIA
PLANNING
LOK SABHA**

UNSTARRED QUESTION NO:2385
ANSWERED ON:28.03.2012
GROWTH RATE OF INFRASTRUCTURE SECTOR
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Will the Minister of PLANNING be pleased to state:

- (a) whether the growth rate in the infrastructure sector in the country has decreased;
- (b) if so, the details thereof;
- (c) the growth rate of infrastructure sector in the country during the current financial year;
- (d) the details of infrastructure sector in the country at present;
- (e) whether there is demand to develop more Infrastructure and Industrial clusters in the country; and
- (f) if so, the details thereof and the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR PLANNING, SCIENCE & TECHNOLOGY AND EARTH SCIENCES (DR. ASHWANI KUMAR)

(a) & (b): No, Madam. The investment in infrastructure sector as per cent of GDP estimated in the Mid-Term Appraisal (MTA) of the Eleventh Five Year Plan are as follows:

Years Investment in infrastructure as % of GDP at market price

2007-08	6.44
2008-09	7.18
2009-10	7.51
2010-11	7.94
2011-12	8.37

(c): The MTA projected an investment of 8.37 per cent of GDP in infrastructure in the current year. However, the actual growth will be known after completion of the current financial year when final investment figures are compiled.

(d): Inadequate infrastructure is recognized as a major constraint on rapid growth. The Government has, therefore emphasized the need for massive expansion in infrastructure based on a combination of public and private investment, the latter through various forms of public-private-partnerships. Substantial progress has been made in this respect. The total investment in infrastructure which includes roads, railways, ports, airports, electricity, telecommunications, oil & gas pipelines and irrigation is estimated to have increased from 5.7 per cent of GDP in the base year of Eleventh Plan to around 8 per cent in the last year of the Plan. The pace of the investment has been particularly buoyant in some sectors, notably telecommunications, oil and gas pipelines, while falling short of targets in electricity, railways, roads and ports. Efforts to attract private investment into infrastructure through the PPP route have met with considerable success, not only at the level of Central Government, but also at the level of the individual States. A large number of PPP projects have taken off, and many of them are currently operational in both the Centre and States.

(e): There is a demand to develop more Infrastructure in all sectors. Further, there is also adequate demand for creating new Industrial clusters as highlighted by the Twelfth Plan Working Group and Steering Committee on Industry.

(f): The Approach Paper of the Twelfth Plan as approved by the NDC on October 22, 2011 has indicated that the total investment in infrastructure would have to be over Rs. 45 lakh crore during the Twelfth Plan period. The Approach Paper has further indicated that infrastructure investment (defined as electricity, roads & bridges, telecommunication, railways, irrigation, water supply & sanitation, ports, airports, storage and oil & gas pipelines) will need to increase from about 8 per cent of the GDP in the base year (2011-12) of the Plan to about 10 per cent of GDP in 2016-17. Financing this level of investment will require larger outlays from public sector, but this has to be coupled with a more than proportional rise in private investment. Private and PPP investments are estimated to have accounted for over 30 per cent of total investment in infrastructure in the Eleventh Plan. Their share may have to rise to 50 per cent in the Twelfth Plan.

Regarding Industrial clusters a Manufacturing Plan is under preparation in the Planning Commission which will consider such demands.