

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

UNSTARRED QUESTION NO:2403
ANSWERED ON:27.08.2012
PRIVATE SECTOR PARTICIPATION IN ROAD SECTOR
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Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the private sector participation in road construction sector is declining because of cost and time overruns caused by procedural bottlenecks and bureaucratic delays;
- (b) if so, the details thereof; and
- (c) the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI JITIN PRASADA)

(a) to (c) Response of private sector to Build-Operate-Transfer (BOT) projects in road sector was overwhelming till 2011-12, but recent response during the current financial year has been comparatively subdued. A record length of 7957 Kms of roads was awarded for strengthening/upgradation and improvement during the financial year 2011-12. The primary reason is lack of availability of finance, many banks having reached the sectoral ceiling prescribed by the Reserve Bank of India. Infrastructure developers are finding it difficult to raise equity. Delays are also due to delay in land acquisition process and in obtaining environment and forest clearances. Such delay in the actual start of the project adds to the expense of the project cost due to cost escalation and idling of various resources like manpower, plant and machinery etc. Government has taken a number of steps to minimise procedural bottlenecks and delays. Ministry of Road Transport and Highways has taken up the matter with all the State Governments emphasizing the need to streamline the process of land acquisition and utility shifting etc, by constituting high level committees under the Chairmanship of the Chief Secretary of the respective States. A Committee of Secretaries has been constituted under Cabinet Secretary to address inter-ministerial and Centre - State issues such as land acquisition, utility shifting, environment approvals, and clearance of Railways Over Bridges (ROBs). Apart from the above, Confederation of Indian Industry (CII) -Ministry of Road Transport and Highways (MoRTH) Joint Task Force on Roads & Highways also meets regularly to find out ways to minimise procedural bottlenecks and delays. Regular interactions are held with the contractors, developers and financial institutions to address and resolve their concerns. Within the Government, meetings are held at the highest levels to simplify and rationalize procedures.