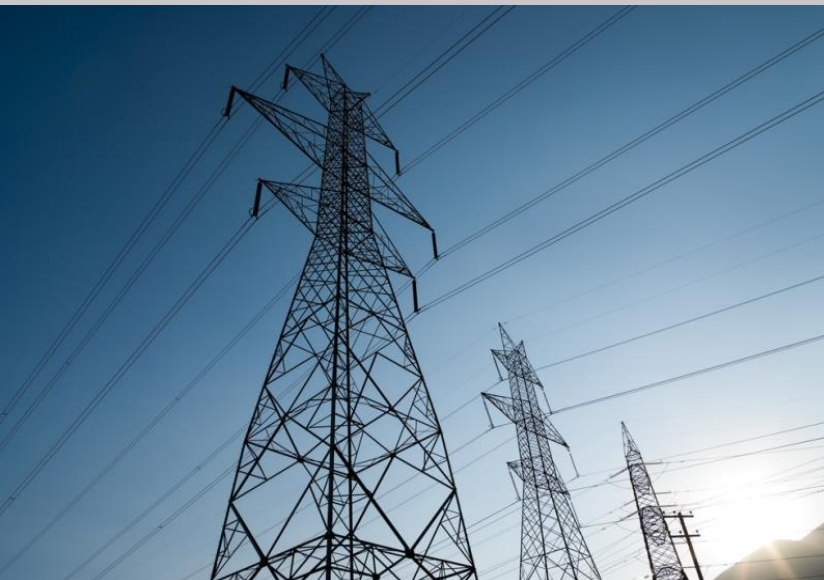




PERSPECTIVES ON INDIAN INFRA



By
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Chairman

FEEDBACK INFRA
Making Infrastructure Happen

[March 2013]



The Decade Of The 11th and 12th Plans

 Planning Commission Government of India		11th Five Year Plan (2007 – 2012)	12th Five Year Plan (2012 – 2017)
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Infrastructure	Eleventh Plan			Twelfth Plan
	Projected*	Achieved*	(%) Achievement	Projection**
Grand Total (₹ Lac Crores)	20.56	19.08	93	56.32
Grand Total (US \$ Billions)	514@	477@	93	1126@@
*₹ Lakh Crore at 2006 - 07 Prices; **₹ Lakh Crore at Current Prices			@40₹ = 1US\$; @@50₹ = 1US\$	
Source: Planning Commission - 12th Plan Document				

Review Of 11th Plan Achievement

Sector	Eleventh Plan (2007 - 12)			
	Projected*	Achieved*	(%)	
Electricity (incl. Renew Energy)	6.67	6.18	93	↓
Roads and Bridges	3.14	3.62	115	↑
Telecommunications	2.58	3.09	120	↑
Railways (incl. MRTS)	2.62	1.95	75	↓
Irrigation	2.53	1.96	77	↓
Water Supply and Sanitation	1.44	0.97	68	↓
Ports (incl. Inland Waterways)	0.88	0.36	40	↓
Airports	0.31	0.29	95	↓
Storage	0.22	0.14	63	↓
Oil and Gas Pipelines	0.17	0.51	301	↑
Total	20.56	19.08	93	
*₹ Lakh Crore at 2006 - 07 Prices				
Source: Planning Commission - 12th Plan Document				



How The 12th Plan Stacks Up

Sector	Twelfth Plan Projection (2012 - 17)		
	₹ Lakh Crore*	US \$ Billion**	Index
Electricity	15.02	300	26
Roads and Bridges	9.69	194	17
Telecommunications	9.44	189	16
Railways	5.22	104	9
Irrigation	5.04	101	9
Renewable Energy	3.19	64	6
Water Supply and Sanitation	2.55	51	5
Ports (incl. Inland Waterways)	1.98	40	4
Oil and Gas Pipelines	1.49	30	3
Mass Rapid Transit Systems	1.24	25	2
Airports	0.88	17	2
Storage	0.58	11	1
Total	56.32	1126	100

*₹ at Current Prices; **50₹ = 1US\$

Source: Planning Commission - 12th Plan Document



11th Plan Target Achievement: 93%



- In spite of major shocks to the system in the 11th Plan period, (in 2008 and 2011 – 12), the infrastructure target of ₹20.56 Cr (US \$ 514 Billions) has been achieved at an admirable level of 93%.

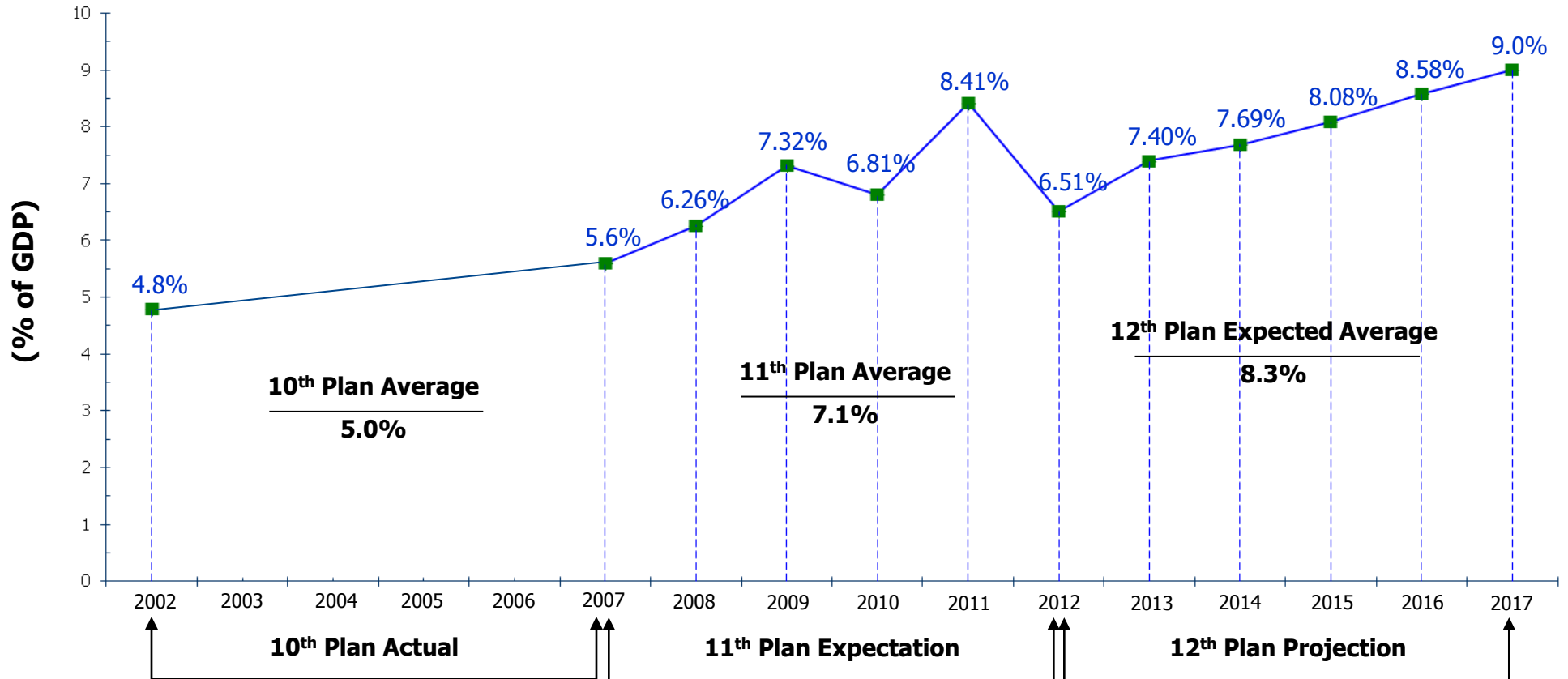
More Than a Trillion-dollar Outlay



- Overall, the 12th Plan envisages a ₹56.32 lac crore infra outlay at current prices. [At 2006-07 prices, it is a 137% increase over the 11th Plan achievement. The 11th Plan itself was a 108% jump over the 10th Plan.]
- There were many non-believers when first the US \$ 500 billion target was presented in the 11th Plan. This time around it is a US \$ 1.13 trillion target !

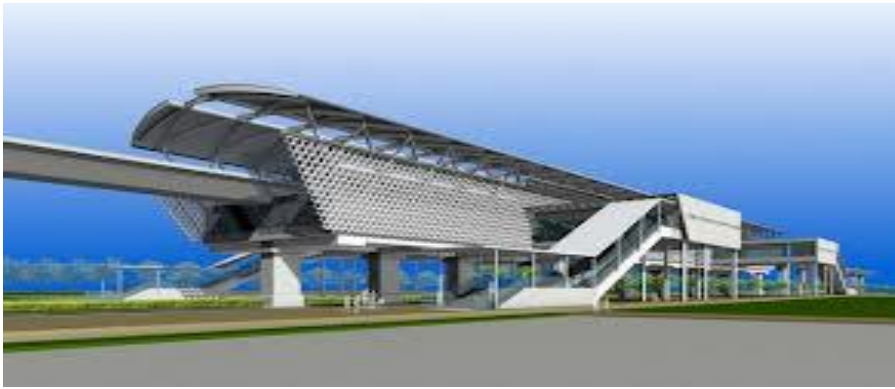


GCFI* Climbs – Though Inadequately



[*Gross Capital Formation in Infra as a % of GDP]

PPP Beyond Expectations



Sector	Tenth Plan (2002 - 07)	Eleventh Plan (2007 - 12)			Twelfth Plan (2012 - 17)
	Actual	Projected	Achieved	(%) Achievement	Projection
Share of Private Capital	22%	30%	37%	-	48%

Source: Planning Commission - 12th Plan Document

States Yet To Pick Up

Sector	Tenth Plan (2002 - 07)	Eleventh Plan (2007 - 12)			Twelfth Plan (2012 - 17)
	Actual	Projected	Achieved	(%) Achievement	Projection
Share of States in Total	36%	33%	29%	-	23%
<i>Source: Planning Commission - 12th Plan Document</i>					

Emergent Sectors



- Two sunrise sectors have found independent recognition in the 12th Plan:
 - **MRTS** (Mass Rapid Transit Systems)
 - **Renewable Energy**
- Together, they constitute 8% of the 12th Plan target.



"Aam-Aadmi Areas" Get Neglected



- "*Inclusive Growth*" was the governing mantra of the 11th Plan.
- In infrastructure, the sectors that can be called "*inclusive*" are those that touch the daily lives of '*aam-aadmi*'. These are Railways, Irrigation, Water-supply and Sanitation and Electricity.
- 'Inclusive' areas have demonstrated poor achievement.



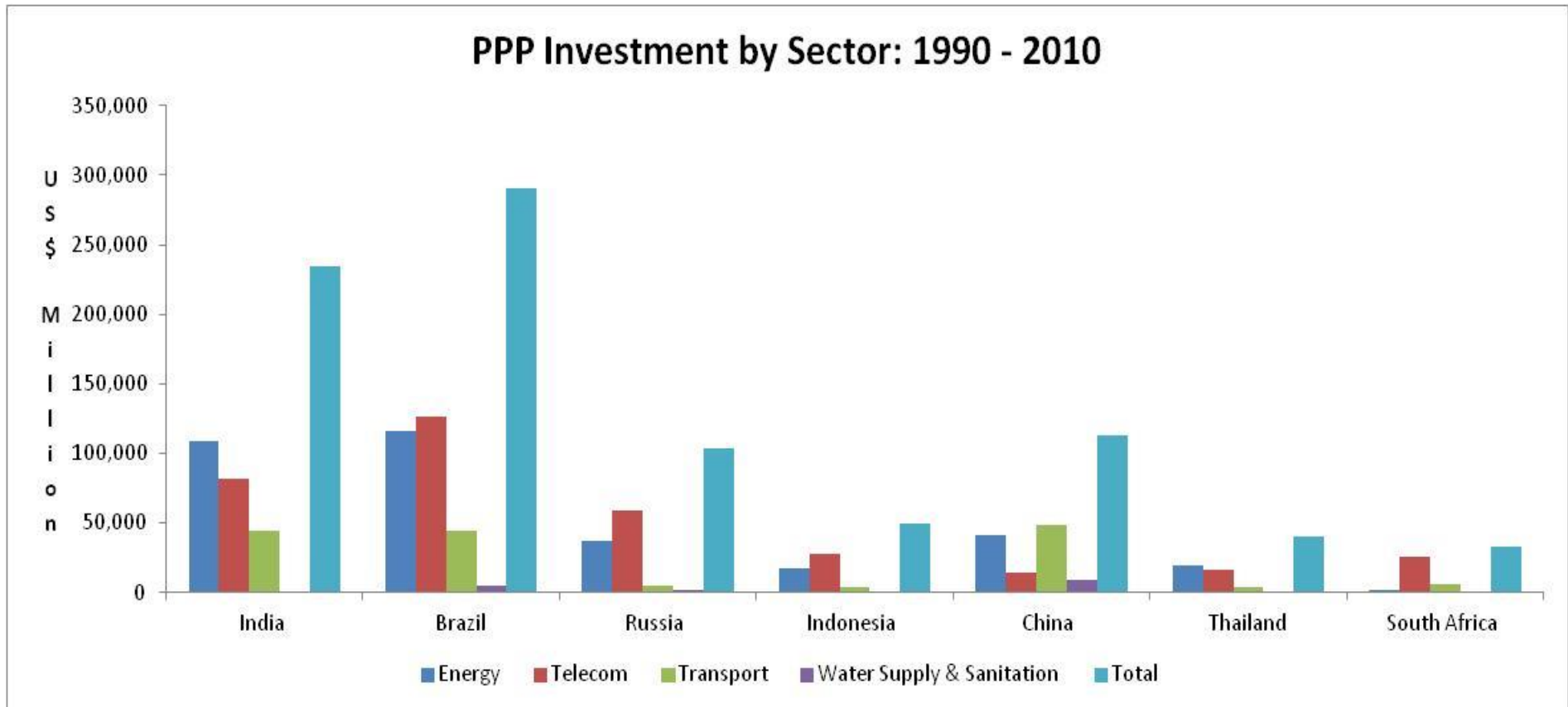
Investment In Ports Critical



- The Ports sector that stands out as the poorest performer.
- Clearly, Ports need extra-special attention, reform and rejuvenation in the next 5 years. We cannot continue to live with the 40% achievement of the 11th Plan.

INDIA: No. 2 In PPP Across Last Two Decades

No. 1 In 12th Plan Period



[Source: The World Bank – Private Participation in Infra Database; Public-Private Infra Advisory Facilities]

Financing 12th Plan Infra



	₹ Lac Crore	US \$ Billion
REQUIREMENT	56.32	1126
- Government Central	16.28	326
- State Government	12.89	258
GOVERNMENT TOTAL	29.17	584
PRIVATE		
- Internal Account / Equity	8.35	167
- Debt	18.79	376
PRIVATE TOTAL	27.14	543
TOTAL DEBT	28.12	562
TOTAL NON-DEBT	28.20	564

• **WHAT IS THE EFFECTIVE CONSTRAINT – LACK OF PROJECT PIPELINE, OR FUNDING ?!**

The Debt Gap

	₹ Lac Crore	US \$ Billion
ESTIMATED REQUIREMENT OF DEBT	28.12	562
LIKELY AVAILABILITY		
- Domestic Bank Credit	11.83	237
- NBFCs	6.28	126
- Pension / Insurance Funds	1.53	31
- External Comm. Borrowings	3.37	67
TOTAL	23.01	461
ESTIMATED DEBT GAP	5.11	101



14 Enablers Of The 12th Plan



- National Investment Board (*now CCI*)
- Regulatory Authorities
- Managing Natural Resources
- Water [*Nat Irrigation Management Fund + Nat Water Comm + State Water Regulatory Authorities*]
- Coal De-Nationalization



14 Enablers Of The 12th Plan (Contd...)



- Infra Debt Funds
- Roads Regulator
- Railways: ₹1 Lakh Crore Investment By Private Sector
- Ports: Corporatization
- IIFCL: Move Away From Commercial Lending
- Urbanization: Finances And Management Of ULB's To Be Strengthened *[Implement Recommendations Of Isher Ahluwalia Committee On Financial Devolution to ULBs]*



14 Enablers Of The 12th Plan (Contd...)

- NEAMA: National Environment Assessment And Monitoring Authority.
- Discoms: All States To Fall In Line With Restructuring Package
- PPPs: Revitalize
[PPP Review + Redressal Board; No Project Awards Without Sovereign Clearances]

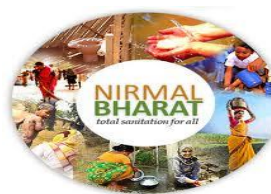


9 Monitorable Targets By End Of The 12th Plan



1. Increase investment in infrastructure as a percentage of GDP to 9 per cent.
2. Increase Gross Irrigated Area from 90 million hectare to 103 million hectare.
3. Provide electricity to all villages and reduce AT&C losses to 20 per cent.
4. Connect all villages with all-weather roads.
5. Upgrade national and state highways to the minimum two-lane standard.

9 Monitorable Targets Of The 12th Plan (Contd...)



6. Complete Eastern and Western Dedicated Freight Corridors.
7. Increase rural tele-density to 70 per cent.
8. Ensure 50 per cent of rural population has access to 55 LPCD piped drinking water supply and 50 per cent of *gram panchayats* achieve the Nirmal Gram Status.
9. Add 30000 MW of renewable energy capacity.



***"The significance of a man is not in what he attains, but rather what he longs to attain."
- Kahlil Gibran***

Thank You !